



Management's Discussion and Analysis

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

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1. INTRODUCTION

This Management's Discussion and Analysis ("MD&A") for Andean Precious Metals Corp. ("Andean" or the "Company") should be read in conjunction with Andean's unaudited interim condensed consolidated financial statements and related notes for the nine months ended September 30, 2023 and 2022 (the "Financials"), which were prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP"). The Company uses certain non-GAAP financial measures in this MD&A, as described under "Non-GAAP Measures". Additional information on Andean is available on SEDAR at www.sedar.com and on the Company's website at www.andeanpm.com.

This MD&A contains "forward-looking statements" subject to risk factors about the Company's future or expected financial condition, results of operation or business. Please refer to "Forward-Looking Statements" and "Risk Factors". All dollar amounts are presented in United States dollars, unless otherwise stated. This MD&A is dated as of November 29, 2023, and all information is current as of such date unless otherwise indicated.

2. BUSINESS DESCRIPTION

Andean is a silver producer 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 largest 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.

The Company's actions are led by the highest environmental, social, and corporate governance ("ESG") standards, evidenced by the relationships and programs that the Company has developed during its nearly two decades of presence in the Potosi municipality, Bolivia.

Andean's mission 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.

3. Q3 2023 HIGHLIGHTS

- In Q3 2023, the Company produced approximately 1.2 million silver equivalent ounces ("Ag Eq oz")⁽ⁱ⁾ or an increase of 2% compared to Q2 2023. During Q3 2023, the average head grade and recoveries were 128 g/t Ag and 76% compared to 119 g/t Ag and 79% in Q2 2023. Based on silver equivalent production to date and expected production for the remainder of the year, the Company is decreasing its 2023 silver equivalent production guidance range to between 4.6 and 4.8 million ounces.
- In Q3 2023, the company recorded a total revenue of \$38.2 million from the sales of 1.6 million Ag Eq oz at an average realized price of \$24.34 per ounce, compared with Q2 2023 total revenue of \$15.3 million from the sales of 0.6 million Ag Eq oz at an average realized price of \$24.65 per ounce. The total revenue increase of 150% or \$22.9 million is primarily due to the inclusion of 540,000 Ag Eq oz, classified as inventory as at the end of Q2 2023.
- As of September 30, 2023, delayed sales of approximately 233,000 Ag Eq oz were valued at \$4.6 million and classified inventory. Subsequent to September 30, 2023, the bullion was sold for a total of \$ 5.4 million based on an average realized silver price of \$ \$23.46 per ounce.
- In Q3 2023, cost of sales was \$30.9 million, an increase of 162% when compared to Q2 2023, mainly due to the recognition of costs carried over from the previous quarter associated with 540,000 Ag Eq oz, classified as inventory in Q2 2023 and sold in Q3 2023.

- General and administrative expenses of \$2.7 million were \$0.4 million lower than Q2 2023 and an \$0.8 million improvement over Q3 2022. The decrease over Q2 2023 was largely due to lower share-based compensation expenses and management fees.
- For Q3 2023 and Q2 2023, reported income from mine operations was \$6.3 million and \$2.4 million, respectively. In Q3 2023, the Company reported a net income of \$0.1 million compared to \$0.2 million in net income of Q2 2023.
- Earnings before interest, taxes, depreciation and amortization (“EBITDA”) ⁽ⁱⁱ⁾ and adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) ⁽ⁱⁱ⁾ improved to \$4.3 million and \$6.8 million, respectively, compared with \$3.7 million and \$4.9 million in Q2 2023. The increase over Q2 2023 was largely due to higher revenues, lower exploration and evaluation costs and general and administration costs, partially offset by higher operating expenses.
- Operating cash costs (“OCC”) ⁽ⁱⁱⁱ⁾ per ounce of silver produced, net of by-product credits was \$19.39, an increase of 1% over Q2 2023 primarily due to higher oxide material purchasing costs.
- All-in sustaining costs (“AISC”) ⁽ⁱⁱ⁾ per silver ounce sold, net of by-product credits was \$21.28, a decrease of 10% when compared to Q2 2023. Based on the Company’s nine-month AISC of \$22.60 per ounce sold, it is increasing its AISC guidance for 2023 to between \$22.50 and \$22.90 per silver ounce sold.
- Positive net working capital of \$86.1 million as of September 30, 2023, including liquid assets of \$88.1 million. Liquid assets were comprised of \$76.8 million in cash, silver bullion of \$6.3 million, marketable securities of \$4.3 million and VAT certificates receivable of \$1.5 million. Liquid assets were \$91.8 million as of December 31, 2022.
- Pursuant to its normal course issuer bid (“NCIB”), in Q3 2023, the Company repurchased and cancelled 780,500 shares at an average purchase price of C\$0.74 per share for a total of \$0.4 million (C\$0.6 million). Since the inception of the NCIB in the fall of 2022, a total of 3,160,100 shares at an average purchase price of C\$0.79 have been repurchased and cancelled for a total of \$1.9 million (C\$2.5 million).
- Civil construction and procurement of the equipment required for the silver recovery project at the Company’s fines disposal facility (“FDF”) is progressing as scheduled. Delivery of the equipment has commenced and is ongoing. Commissioning and commencement of production is targeted for the first half of 2024.
- The Company signed an exclusive five-year agreement to purchase up to 800,000 tonnes of oxide material from the Paca silver project in Bolivia. Paca is an undeveloped, epithermal silver and base metal deposit in Bolivia located less than 200 km southwest of Andean’s San Bartolomé mine and processing facilities near Potosí.

Environment, Social and Governance Summary Performance

Health and safety:

- Lost time injury frequency rate (“LTIFR”) ⁽ⁱⁱⁱ⁾ was zero during Q3 2023 and the Company achieved a significant safety milestone of approximately 514 days with no lost time injuries (“LTI”). One of the Company’s goals is to maintain a safe and healthy working environment for all, with a strong safety culture where everyone is continually reminded of the importance of keeping themselves and their colleagues healthy and injury-free.

- The Company is committed to have all employees and contractors return Home Safe Every Day. Regular safety awareness campaigns are conducted, through external training consultants, for all personnel.

Environment:

- **Water management & tailings dams management:** In Q3 2023, water consumption at San Bartolomé was 51% compared to 53% in Q2 2023. The reduction in water consumption was achieved by reusing 100% of water from the tailings dam, 47% water from the wastewater treatment plant or rainwater collection and 2% fresh water for office and food services. Monthly external monitoring was conducted on water and sediment for surrounding lagoons. Piezometers and environmental wells are externally and internally monitored as part of the Company's water management.
- **Climate action:** Manquiri carries out the inventory of its greenhouse gas emissions for scopes 1, 2 and 3. For scopes 1 and 2, objectives are in place with a goal to be carbon neutral. Emissions monitoring in the refinery and waste incinerator is conducted monthly to ensure clean air.
- **Environmental incidents rate:** The reportable environmental incidents rate remained at zero in the third quarter and year-to-date.

Community

Year to date, donations, medical support, and infrastructure investments were provided to local communities, including:

- 11 new homes were delivered to the Chalviri Baja and Phusuta communities to provide housing accommodation for families in dire need of accommodation.
- Teachers and students of the Chalviri Educational Unit continued to receive training through workshops and seminars.
- The Company participated in several community development initiatives, including providing water purification materials for the Escuela Robertito community and 118 children who live and receive education on the slopes of Cerro Rico.

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- (i) 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.
- (ii) AISC, operating cash costs ("OCC"), 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.
- (iii) LTIFR refers to the number of lost time injuries occurring in a workplace per 1 million hours worked. While LTI include all on-the-job injuries that require a person to stay away from work more than 24 hours or which result in death or permanent disability.

4. 2023 OUTLOOK UPDATE AND GUIDANCE

In 1987, the City of Potosi, including the Cerro Rico Mountain, was declared a World Heritage site by UNESCO. Twenty-seven years later, in 2014, the Ministry of Mining and Metallurgy of Bolivia issued Ministerial Resolution, which regulates all mining operations on the Cerro Rico Mountain.

The Company agrees that protecting the Cerro Rico Mountain and City of Potosi while preserving the livelihoods of local mining cooperatives is very important.

In 2017, at the request of the Ministry of Mining & Metallurgy and the Departmental Federation of Mineral Cooperatives, COMIBOL defined new areas for the future relocation of miners working at an elevation of more than 4,400 metres. In response, Manquiri shifted its mining operations from above 4,400 metres to focus on mining its Pallacos located below 4,400 metres. Only partial progress has been achieved relocating mining cooperatives and privately held mining companies.

As the Company has accelerated the transition from mining its nearly depleted, high-cost Pallacos to processing its lower cost FDF material, the Company has agreed to negotiate with COMIBOL a reduction of the Pallacos in exchange for new oxide deposits. As part of the negotiation, during Q3 2023, COMIBOL requested the Company to provisionally suspend mining of its low-grade Pallacos until a final resolution is issued. The Company anticipates a resolution with COMIBOL shortly.

To bridge the gap between now and the anticipated commencement of the FDF production in H1 2024, the Company intends to increase the purchase of third-party oxides and processing of material from the recently signed contracts for the Alta Vista and Paca deposits. To date in 2023, silver equivalent ounces produced from third parties represents more than 78% of the total ounces for the Q3 2023 and 69% for the nine months ended September 30, 2023.

Following the completion of the FDF project by mid-2024, management is anticipating that production from the FDF and third-party oxide material, will replace low-grade and high-cost tonnage from Pallacos.

Based on the first nine months of production at its Bolivian operations and the government restrictions on mining activities at Pallacos, the Company is decreasing its 2023 silver equivalent production guidance range to between 4.6 and 4.8 million ounces.

Based on (i) the hardness of third-party purchased oxide material, ((ii) the increase in third-party purchases, and (iii) an increase in the cost of consumables, the Company is increasing its AISC guidance for its Bolivian operations by approximately 4% (based on the top end of revised AISC guidance provided in the Q2 2023 MD&A) to a range of \$22.50 to \$22.90 per silver ounce sold.

The following table sets out Andean's nine months ended September 30, 2023 results for its Bolivian operations against its original full year 2023 guidance and its revised 2023 guidance:

	YTD 2023 Actual	Original 2023 Guidance ⁽ⁱ⁾	Revised 2023 Guidance ⁽ⁱⁱ⁾
Silver equivalent production	3.5 million oz	4.8 million to 5.2 million oz	4.6 million to 4.8 million oz
AISC (by-product) per ounce sold	\$22.60/Ag oz	\$19.50 to \$20.30/Ag oz	\$22.50 to \$22.90/Ag oz
Capital expenditures	\$2.6 million	\$8 million to \$10 million	\$6.5 million to \$8.5 million

⁽ⁱ⁾ Andean's commodity price assumptions supporting this estimate are \$21.00/ounce silver.

⁽ⁱⁱ⁾ Andean's commodity price assumptions supporting this estimate are \$22.00/ounce silver.

5. FINANCIAL AND OPERATIONAL RESULTS

	Units	Q3 2023	Q2 2023	Change	Q3 2022	Change	YTD 2023	YTD 2022	Change
Operational Performance									
Tonnes mined ⁽¹⁾	k dmt	390	468	(17%)	436	(10%)	1,291	1,455	(11%)
Average ROM mined ore grade	Ag g/t	42	43	(2%)	56	(25%)	46	60	(23%)
Average +8 mined ore grade	Ag g/t	78	75	4%	94	(18%)	74	98	(24%)
Tonnes purchased ⁽²⁾	k dmt	208	167	25%	113	85%	464	347	34%
Average purchased grade	Ag g/t	179	186	(4%)	230	(22%)	188	221	(15%)
Tonnes milled ⁽³⁾	k dmt	384	385	0%	404	(5%)	1,144	1,217	(6%)
Daily average throughput	dmt	4,474	4,561	(2%)	4,590	(3%)	4,499	4,625	(3%)
Average head grade	Ag g/t	128	119	8%	115	11%	118	119	(1%)
Silver recovery	%	76	79	(3%)	77	(1%)	78	77	2%
Silver production	k oz	1,190	1,189	0%	1,168	2%	3,357	3,555	(6%)
Gold production	oz	640	396	62%	577	11%	1,270	2,376	(47%)
Silver equivalent production ⁽⁴⁾	k oz	1,242	1,221	2%	1,219	2%	3,460	3,752	(8%)
Silver sales	k oz	1,552	620	150%	1,170	33%	3,154	3,568	(12%)
Gold sales	oz	200	-	100%	650	69%	415	2,221	(81%)
Silver equivalent sales ⁽⁴⁾	k oz	1,568	620	153%	1,227	28%	3,188	3,752	(15%)
Average realized silver price ⁽⁶⁾	\$/oz	24.34	24.65	(1%)	19.23	27%	24.00	21.96	9%
Average market silver price	\$/oz	23.57	24.13	(2%)	19.23	23%	23.40	21.92	7%

Silver Equivalent Production Breakdown by Source

Pallacos	k oz	274	403	(32%)	394	(30%)	1,065	1,235	(14%)
Mine reclamation stockpiles	k oz	53	38	38%	166	(68%)	255	561	(55%)
Cachi Laguna	k oz	137	125	9%	159	(14%)	383	576	(33%)
Oxide purchases	k oz	777	655	19%	500	55%	1,757	1,380	27%
Total	k oz	1,242	1,221	2%	1,219	2%	3,460	3,752	(8%)

(In thousands except for per oz numbers)	Q3 2023	Q2 2023	Change	Q3 2022	Change	YTD 2023	YTD 2022	Change
Financial Performance								
Revenue	\$ 38,174	15,284	150%	\$ 23,603	62%	\$ 76,503	\$ 82,383	(7%)
Cost of sales	30,892	11,771	162%	23,051	34%	63,880	68,231	(6%)
Income from mine operations	6,273	2,448	156%	(1,430)	539%	9,095	8,606	6%
Net income (loss)	76	169	(141%)	(2,840)	103%	464	(6,750)	105%
Net income (loss) per share								
-Basic	0.00	0.00	100%	(0.02)	100%	0.00	(0.04)	100%
-Diluted	0.00	0.00	100%	(0.02)	100%	0.00	(0.04)	100%
Net cash (used in) provided from operating activities	8,661	(5,293)	264%	(2,503)	446%	(955)	245	(490%)
Free cash flow ⁽⁵⁾	6,904	(5,588)	224%	(3,292)	310%	(3,570)	(1,713)	108%
EBITDA ⁽⁵⁾	4,280	3,657	11%	(4,708)	186%	9,453	(235)	4031%
Adjusted EBITDA ⁽⁵⁾	6,799	4,928	38%	(3,116)	318%	12,200	4,495	171%
Ending cash and cash equivalents	76,823	70,427	9%	84,674	9%	76,823	84,674	(9%)
Capital expenditures	1,757	295	496%	789	123%	2,615	1,968	34%
Operating cash costs (by-product) ⁽⁵⁾ - per ounce produced	\$ 19.39	\$ 19.15	1%	\$ 18.19	7%	\$ 19.94	\$ 18.08	10%
Operating cash costs (by-product) ⁽⁵⁾ - per ounce sold	\$ 19.65	\$ 18.99	3%	\$ 18.74	5%	\$ 20.00	\$ 17.99	11%
All-in sustaining costs-sold (by-product) ⁽⁵⁾ - per ounce sold	\$ 21.28	\$ 23.69	(10%)	\$ 21.69	(2%)	\$ 22.60	20.66	12%

- (1) Material mined during 2023 and 2022 includes material from the Company's permitted areas, including Santa Rita, Huacajichi, 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.
- (6) This supplementary financial measure within the meaning of NI 52-112 is calculated as a ratio of revenue from the consolidated financial statements and units of metal sold.

6. SAN BARTOLOMÉ OPERATIONS UPDATE

San Bartolomé is located 5 km outside of the city of Potosí, Bolivia and is accessible by paved roads. Andean's operations, which include a processing plant with a designed capacity of 1.8 million tonnes per annum, encompasses 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 pays production royalties to COMIBOL in return for the rights to mine, transport and process mineralized Pallacos from the Santa Rita, Huacajchi and Antuco areas flanking the crest of Cerro Rico. 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 situated near the Monserrat area and entered a fixed rate production contract to replace previous agreements with COMIBOL. The Company also maintains various other agreements to purchase oxidized, precious metal-bearing material from local miners based on market rates for processing at the San Bartolomé plant.

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 in Q4 2023 and Andean, with approval from RALP, has pursued an exploration campaign within the Cachi Laguna area to find and define new precious metal-bearing, in situ material for 2024. Andean and RALP are negotiating an extension of the current contract for new material.

Paca Project

During Q3 2023, the Company 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”) and several of its subsidiaries, including Apogee Minerals Bolivia S.A. (together with Silver Elephant, the “Silver Elephant Entities”). 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 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”). As disclosed in an October 2020, independent NI 43-101 technical report by Mercator Geological Services for Silver Elephant, Paca’s historic, oxide mineral was 1.1 million tonnes of indicated mineral resources grading 185 grams per tonne (g/t) Ag and 0.35 million tonnes of inferred grading 131 g/t Ag. The Company is not considering the historic estimate as current and has engaged SRK (USA) to prepare a mineral resource and reserve estimate for all its material operations, including Paca, and expects to file an NI 43-101 technical report on SEDAR+ in Q4, 2023.

Paca project site preparations, including opening of roads, core re-sampling and geotechnical analysis, were completed and surficial deposits and dumps in the mining concessions were evaluated. Haulage of the surficial materials to San Bartolomé plant for processing began in mid-October 2023.

Drill programs included metallurgical and geotechnical drilling, in support of the resource estimate, previously estimated by Silver Elephant, are expected to be completed during Q4 2023. Drilling comprised 30 diamond drill holes for 1,500 metres. The Company is targeting Q4 2023 to commence expanded mining activities in Paca.

FDf Tailing Silver Recovery Project

Work is progressing as planned for the construction of the FDF tailings silver recovery project, which is expected to be completed in the first half of 2024, with total capital costs expected to be on budget. Detailed engineering, including civil and mechanical works of the thickener tank, are halfway completed. Substantial major equipment is nearly fabricated and are scheduled to be delivered to site.

In parallel to the construction work, the Company is updating its mineral resource and reserve estimate (“MR&RE”), incorporating the silver ounces contained in the FDF and DSF tailings. The new estimate will be disclosed in an NI 43-101 technical report which will be filed on SEDAR+ in the fourth quarter of 2023.

Q3 2023 Compared to Q3 2022

a) Mine and Material Purchases

During Q3 2023, mining activities were carried out at Pallacos, and Cachi Laguna. In Q3 2023 total tonnes mined were 390,000 tonnes at an average grade of 42 g/t Ag (before washing) or 78 g/t Ag (after washing) in the third quarter of 2023 compared with 436,000 tonnes at an average grade of 56 g/t Ag (before washing) or 94 g/t Ag (after washing) in the third quarter of 2022. The 10% or 46,000 tonnes decrease was largely due to stoppage of mining activities at Pallacos at the request of COMIBOL that occurred during September 2023.

During Q3 2023, tonnes purchased were 208,000 tonnes with average grade of 179 g/t Ag compared with 113,000 tonnes purchased with average grade of 230 g/t Ag during Q3 2022. The increase in tonnes purchased and delivered to the plant was largely due to (i) the Company strategic decision to expand sourcing of materials from third party, and (ii) the oxide material purchased from the Empresa Minera Bedrock’s S.R.L Alta Vista Project.

b) Mill Production and Metal Production

Total process plant throughput for Q3 2023 was 384,000 tonnes, averaging 4,474 tonnes per calendar day, compared to 404,000 tonnes, averaging 5,590 tonnes per calendar day in the third quarter of 2022. The 5% or 20,000 tonnes decrease in throughput in Q3 2023 when compared to Q3 2022 was largely due to the increased hardness of materials from Huacajchi that required balls for the sag mill to be changed from 5" to 6" to improve grinding and decrease in the oxide material tonnage mined.

Ag Eq ounces produced during Q3 2023 was 1,242,000 or 2% higher than 1,219,000 Ag Eq ounces produced during Q3 2022. Average head grade and recoveries were 128 g/t Ag and 76% for Q3 2023 compared to 115 g/t Ag and 79% in Q3 2022. The production increase of 2% or 23,000 Ag Eq ounces, was largely due to an increase in tonnage of material purchased which offset lower recoveries of the mined oxide material. During Q3 2023, material purchased from Empresa Minera Bedrock S.R.L Alta Vista Project averaged 458 g/t.

c) Costs Per Tonne

In Q3 2023, the mining and haulage costs were \$5.94 per tonne, down 28% or \$2.33 when compared to Q3 2022 primarily due to a decrease of 10% or 46,000 tonnes of oxide material mined during Q3 2023 compared with 436,000 tonnes of oxide material mined in Q3 2023 partly due to the stoppage of mining activities at Pallacos at the request of COMIBOL during Q3 2023.

Material purchasing costs were \$37.72 per tonne, down \$9.38 or 20% compared to \$47.10 per tonne in Q3 2022. The decrease was primarily due to a 28% decrease in the average head grade of material purchased from 230 g/t Ag to 179 g/t Ag, partly offsetting the increase in the tonnage purchased. During Q2 2023, the Company signed a fixed cost 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 deposits located 420 km from San Bartolomé. The first delivery arrived in early September 2023. The Company continues to source materials from projects closer to San Bartolomé plant.

Milling and processing costs in Q3 2022 of \$26.33 per tonne were slightly below the \$26.63 per tonne of Q3 2023.

d) Operating Cash Costs Per Ounce Produced.

Operating cash costs for silver ounces produced, on a by product basis, were \$23.1 million or \$19.39 per ounce produced in Q3 2023 compared to \$21.3 million or \$18.19 in Q3 2022. The increase of \$1.20 or 7% increase in total operating cash costs per ounce produced was due to a \$2.7 million increase in total material purchase costs, a \$0.2 million increase in royalty costs and a \$0.7 million decrease in the offsetting net gold sales, as a by-product.

Total material purchase costs increase of \$2.7 million or \$2.19 per ounce produced was primarily due to an 85% or 95 thousand tonnes increase in material purchased when compared to Q3 2022. Royalty costs increased from \$1.8 million or \$1.54/oz in Q3 2023 to \$2.1 million or \$1.71/oz largely due to a higher realized price on Ag ounces sold of \$24.34/oz in Q3 2023 compared to \$19.23/oz.

Net gold sales, as a by-product, decreased from \$1.1 million in Q3 2022 to \$0.4 million in Q3 2023 due to 200 Au ounces sold at average realized price of \$1,960/oz compared to 650 Au ounces sold at average realized of \$1,698.

7. EXPLORATION ACTIVITIES

Following the Company's review of its capital deployment strategy, exploration and evaluation activities in Q3 2023 were reduced to \$0.4 million compared to \$1.3 million in Q3 2022.

San Pablo

As of September 30, 2022, the Company had completed 9,170 meters of core drilling in 22 drill holes, ground geophysical surveys and geologic mapping and sampling at San Pablo, Bolivia. Despite encountering locally high-grade gold mineralization, continuity of mineralization was not demonstrated, and a decision was made in early 2023 to terminate the option and return the project to the owner.

Cachi Laguna

Since 2021, the Company has obtained high-grade, oxidized, precious metal-bearing material from the property owner, RALP. The term of the purchase contract will expire on December 31st, 2023, and the Company is negotiating an extension of such contract for one additional year. Such extension will be agreed upon, once the Company finalizes the evaluation of new mining areas with the potential to provide additional, suitable material for processing at its San Bartolomé mill for the next year. As part of this review, which is expected to be completed Q4 2023, the Company completed 1,027 meters of core drilling in 19 new core holes during the third quarter of 2023 and associated costs were expensed in condensed Interim consolidated statement of income.

Paca

As announced and outlined on September 12, 2023, the Company has obtained the rights to oxidized material from the Paca project of Silver Elephant. Subsequently, the Company continued its evaluation of the Paca project with relogging and resampling of existing, historic drill core and evaluation of other data from the project and commenced its own field work.

Bajaderia

Reconnaissance-level work commenced this quarter on the Bajaderia property situated adjacent to the Alta Vista deposit, which as of Q3 is now supplying mill feed to San Bartolomé as part of a third-party contract.

8. TRENDS AND ECONOMIC CONDITIONS

Commodity prices:

The Company's profitability is materially impacted by the market price of precious metals which can fluctuate widely and are impacted by factors beyond the Company's control. During Q3 2023, the spot price of ounce of silver fluctuated between a low of \$22.41 and a high of \$26.18. The LBMA average spot price per ounce of silver for the three months and nine months ended September 30, 2023, was \$23.57 per ounce and \$23.40 per ounce, respectively, an increase of 23% or \$4.34 per ounce and 7% or \$1.48 per ounce from the comparative prior year periods. The Company's average realized price per ounce for the three months and nine months ended September 30, 2023 were \$24.34 per ounce and \$24.00 per ounce, respectively.

Spot price per ounce of silver	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	Change	2023	2022	Change
Low	\$22.41	\$17.77	26%	\$20.09	\$17.77	13%
High	\$26.18	\$20.60	27%	\$26.03	\$26.18	(1%)
Average	\$23.57	\$19.23	23%	\$23.40	\$21.92	7%
Average realized price of Ag Eq oz	\$24.34	\$19.23	27%	\$24.00	\$21.96	9%

Foreign exchange

The Company has operations in Bolivia, a corporate office in Mexico and a presence in Canada and Sweden. The Company receives its revenue from the sale of silver and gold denominated in U.S. dollars. A significant portion of the Company's costs are impacted by the performance of key currencies relative to the U.S. dollar.

Since 2008, the Bolivian Boliviano has been fixed against the US dollar at a rate of 6.96 Bolivian Bolivianos. There can be no guarantee that the Boliviano will continue to be fixed to the US dollar.

The following table shows the spot prices of the Canadian dollar ("CAD") and Mexican peso ("MXN") relative to the U.S. dollar.

Spot price	Three months ended September 30, 2023		Three months ended September 30, 2022,	
	CAD	MXN	CAD	MXN
Closing	1.3491	17.54	1.3675	20.12
Low	1.3113	16.68	1.2763	19.81
High	1.3684	17.69	1.3723	20.87
Average	1.3409	17.05	1.3045	20.22

Spot price	Nine months ended September 30, 2023		Nine months ended September 30, 2022	
	CAD	MXN	CAD	MXN
Closing	1.3491	17.54	1.3675	20.12
Low	1.3113	16.68	1.2482	19.53
High	1.3831	19.46	1.3723	21.36
Average	1.3452	17.80	1.2822	20.25

The Company does not currently hedge either the Canadian dollar or the Mexican peso.

Andean regularly monitors economic conditions, estimates their impact on its operations and incorporates these estimates in both short-term and longer-term operating strategic decisions.

9. FINANCIAL RESULTS

a) Overview of financial results of Q3 2023 compared to Q3 2022

Net income of \$0.1 million was recognized in the third quarter of 2023, compared to net loss of \$2.8 million in the third quarter of 2022. The net income for the year was due to:

- Income from mine operations increased by \$7.8 million when compared to Q3 2022. The increase was due largely to higher ounces sold at an average realized price of \$24.34 during Q3 2023 compared to \$19.23 during Q3 2022. The higher revenue realized was partially offset by higher costs of sales.

Included in the silver bullion sold in Q3 2023 was 540,000 Ag Eq ounces delayed from Q2 2023. To mitigate steep volatility during the months of May and June, the Company delayed the sale of approximately 540,000 Ag Eq oz during Q2 2023 and \$11.3 million of costs recorded as an inventory line item of the statement of financial position as at the end of Q2 2023 and later

reclassified to costs of sales during Q3 2023. The silver bullion was subsequently sold at an average realized price of \$24.70 per ounce.

- General and administrative expenses decreased from \$3.5 million in Q3 2022 to \$2.7 million in Q3 2023. \$0.8 million or 24% decrease in general and administrative expenses was primarily due to decrease in share-based compensation, corporate development, and other corporate expenses.
- Exploration and evaluation costs incurred during Q3 2023 were \$0.4 million compared to \$1.3 million during Q3 2022, primarily due to the Company's review of its capital deployment strategy to focus on strategic utilization of capital.
- Higher foreign exchange gain derived from the sales of US dollars to Bolivianos and interest income earned on the investment of the Company's cash balance from rising interest rates.

The decrease in net loss was partially offset by an increase in the unrealized loss in the change in fair value of marketable securities.

Adjusted EBITDA was \$6.8 million in Q3 2023, compared to negative of \$3.1 million in Q3 2022. The increase in adjusted EBITDA was primarily due to higher earnings from mine operations and higher income tax expense.

The most significant adjusting items to Adjusted EBITDA in the third quarter of 2023 were:

- \$0.4 million non sustainable exploration and evaluation costs.
- \$1.4 million change fair value of derivative contracts and marketable securities.

Revenue

For the third quarter of 2023, the Company recognized revenue of \$38.1 million, a 62% or \$14.6 million increase when compared to Q3 2022. The increase was due to 1.6 million Ag Eq oz sold at an average realized silver price of \$24.34 per ounce compared to 1.2 million Ag Eq oz sold at an average realized silver price of \$19.21 in Q3 2022.

The \$5.11 per ounce increase in average realized silver price impacted revenue by an increase of \$8.0 million for Q3 2023, while the 0.4 million increases in silver equivalent ounces sold, impacted revenue by an increase of \$6.6 million during Q2 2023.

The 0.6 million Ag Eq ounces positive variance is attributable largely to the inclusion in the revenue for Q3 2023 of the Q2 2023 delayed sale of approximately 540,000 Ag Eq oz as of June 30, 2023. These 540,000 Ag Eq oz were sold in July 2023 at an average price of \$24.70 per ounce totaling \$13.3 million in revenue.

Cost of sales

Cost of sales, which comprises the total cost of operations excludes depreciation and depletion, was \$30.9 million in Q3 2023 compared with \$23.1 million in Q3 2022, representing a 34% or \$7.8 million increase from Q3 2022. The increase in the costs of sales was predominantly due to the inclusion in the costs of sales of the costs associated with the sale deferment of approximately 540,000 Ag Eq oz as at June 30, 2023.

Total production costs on a sales basis, consisting of costs attributable to the Company's mining, ore purchasing and plant operations, were \$28.9 million during the third quarter ended September 30, 2023, compared to \$21.3 million during the quarter ended September 30, 2022. Total production costs, recognized on a sales basis, increased by \$7.6 million quarter over quarter predominantly due to inclusion in cost of sales of the net inventory adjustment for the ounces held back as inventory during Q2 2023 and an increase in the oxide material purchases, partly offset by a decrease in mining and hauling costs.

During Q3 2023, the Company recognized \$0.4 million as inventory write downs in costs of sales due to cost of stockpile materials that are higher than net realizable value.

Mining royalty taxes were \$2.0 million during the quarter ended September 30, 2023, compared to \$1.8 million during the quarter ended September 30, 2022. 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. The increase in mining royalty taxes is primarily attributable to higher ounces produced and exported and higher silver prices compared to the same period of last year.

Depreciation and depletion

Depreciation and depletion expenses form a component of operating costs and were \$1.0 million during Q3 2023, compared to \$2.0 million during Q3 2022. As of December 31, 2022, certain property plant and equipment of the Company were fully depreciated. Consequently, the depreciation expense for the quarter ended Q3 2023 reflected the ounces produced and sold.

General and administrative expenses

General and administrative expenses were \$2.7 million during the third quarter ended September 30, 2023, down 24% compared to the third quarter ended September 30, 2022. Items included in general and administrative expenses are as follows:

	Three months ended September 30,		
	2023	2022	Change
Salaries and general office administration	\$ 1,764	\$ 1,773	(5%)
Share based compensation	159	452	(65%)
Corporate development	525	722	(27%)
Other expenses	111	-	100%
Management expenses	-	436	(100%)
Community relations	142	162	(13%)
	\$ 2,701	\$ 3,545	(24%)

Exploration and evaluation expenses

Exploration and evaluation expenses was \$0.4 million or 70% lower than Q3 2022. The decrease was due to the cessation of exploration activities at the San Pablo properties. \$0.2 million of exploration spending during Q3 2022 was related to the FDF and Paca projects.

Other income

Other income was negative \$0.9 million during the third quarter ended September 30, 2023, compared to positive \$0.09 million during the third quarter ended September 30, 2022. The increase of \$0.9 million primarily attributable to:

- \$0.2 million unrealized loss on the fair value of derivative contracts.

In April 2023, to mitigate the risks associated with fluctuating silver prices, the Company entered into a zero-cost collar to hedge the price on a portion of silver associated with the San Bartolomé mine's production. The collar contracts were written at an average put strike price of \$23.00 per ounce and an average call strike price of \$30.00 per ounce, for 200,000 ounces per month beginning August 2023 through to December 2023. During the three months ended September 30, 2023, zero-cost collar contracts for a total of 200,000 silver ounces exercised at \$23.00 per ounce and 200,000 ounces relating to September 2023 contract were unexercised.

As of September 30, 2023, the fair value of the contracts for outstanding 600,000 ounces was a net asset of \$0.6 million included in other current assets in the statement of financial position and \$0.4 million as unrealized gain in other income or loss line item of condensed consolidated interim statements of (loss) income for the quarter ended Q3 2023. The fair value of silver collar contracts was determined based on option pricing models and silver future forward prices.

On September 12, 2023, the Company entered into a Master Service Agreement with Silver Elephant Mining Corp. ("Silver Elephant") and several of its subsidiaries (collectively referred as "Silver Elephant"), to purchase up to 800,000 tonnes of oxide material from the Paca silver project ("Paca"). Total cash consideration of \$5.0 million, consists of a non-refundable amount of \$1.2 million on closing the transaction ("initial consideration") additional cash payments ("additional consideration") of \$2.0 million that are contingent if silver price is \$28/oz and \$32/oz in any given 150 Day and 260 Day Trading Interval during the Term of the agreement.

As of September 30, 2023, the fair value of the embedded derivatives was a liability of \$0.4 million with changes in fair value of \$0.2 million recognized in other income or expenses line item of condensed consolidated interim statements of (loss) income.

- \$1.8 million decrease in the fair value "mark-to-market" adjustments of the Company's holdings of marketable securities.
- Interest income of \$0.8 million on the short-term investments of the Company's cash balance.
- Decrease in uncollectible VAT receivable \$0.3 million.

Finance costs

Finance costs in Q3 2023 were \$0.3 million compared to \$0.3 million of Q3 2022. Finance costs, consist of accretion expenses on the reclamation provision and banking expenses.

Income tax expense

Income tax expenses in Q3 2023 were \$2.8 million, up 166% compared to income tax recoveries of \$4.2 million in Q3 2022. The increase in current income tax expenses was due to higher taxable income recognized during Q3 2023.

Income tax expense is related to its Bolivian operations and recognized based on management's estimate of the weighted average Bolivian statutory tax rates expected for the full financial year.

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

The Company recorded deferred income tax recovery of \$0.4 million during Q3 2023 compared to deferred income tax recovery of \$0.1 million during Q3 2022. The increase in deferred income tax is directly attributable to the tax effects of temporary differences between accounting and tax basis of the assets and liabilities of the Bolivia operations.

Overview of financial results of nine months ended September 30, 2023 compared to the nine months ended September 30, 2022

Net income attributable to equity holders of the Company for the nine months ended September 30, 2023, was \$0.5 million, compared to net loss of \$6.7 million or \$0.04 loss per share in the same prior year period.

For the nine months ended September 30, 2023, the Company's financial results were largely impacted by the following:

- Income from mine operations increased by \$1.0 million when compared to the nine months ended September 30, 2022. The increase was due largely to the decrease in operating costs and

depreciation. The decrease in operating costs was partly offset by a decrease of 15% or 0.6 million in Ag Eq ounces sold. The impact of the decrease in Ag Eq ounces was reduced by the higher average realized price of \$24.34 during the nine months ended September 30, 2023, compared with \$21.96 during the same period of 2022.

- A realized and unrealized gain from the derivative contracts on silver sales of \$2.9 million.
- Higher foreign exchange gain derived from the sales of US dollars to Bolivianos and interest income earned on the investment of the Company's cash balance from rising interest rates.

Foreign exchange gain related to the premiums realized on the selling of the U.S dollar to Bolivianos through financial institutions in Bolivia. As a result of a shortage of U.S dollars in Bolivia, financial institutions were buying U.S. dollars at an exchange rate of 7.40 Bolivianos per U.S. dollar against the official rate of 6.96 Bolivianos per U.S. dollars.

- Decrease of \$2.0 million in depreciation and depletion.

Adjusted EBITDA of \$12.2 million was recognized for the nine months ended September 30, 2023, compared with \$4.5 million of the same period in 2022.

The most significant adjusting items to Adjusted EBITDA in the nine months ended September 2023 were:

- \$0.4 million non sustainable exploration and evaluation costs.
- \$1.3 million change in the fair value of derivative contracts and marketable securities.
- Corporate development costs of \$1.1 million.

Revenue

Revenue for the nine months ended September 30, 2023, was \$76.5 million, down 7% or \$5.9 million, compared to \$82.4 million in the comparable period last year. Andean sold 3.2 million Ag Eq oz during the nine months ended September 30, 2023, at an average realized price of \$24.00 per silver ounce compared with 3.7 million Ag Eq oz during the nine months ended September 30, 2022, at an average realized price of \$21.96 per silver ounce.

The decrease in revenue for the nine months was due to a decrease of 15% or 0.6 million in Ag Eq ounces sold when compared to nine months ended September 30, 2023. The impact of the decrease in Ag Eq ounces was reduced by the higher average realized price of \$24.34 during the nine months ended September 30, 2023, compared with \$21.96 during the same period of 2022.

The \$2.04 per ounce increase in average realized silver price impacted revenue by an increase of \$6.5 million for Q3 2023, while the 0.6 million decreases in silver equivalent ounces sold, negatively impacted revenue by a decrease of \$12.4 million during Q2 2023.

Cost of sales

Cost of sales, which comprise the total cost of operations excluding depreciation and depletion, were \$63.9 million during the nine months ended September 30, 2023, compared to \$68.2 million during the nine months ended September 30, 2022. Total operating costs are recognized on a sales basis and items included in full costs of production are as follows:

	Nine months ended September 30,		
	2023	2022	Change
Material purchasing	\$ 17,071	\$ 16,302	5%
Mining and haulage	8,235	10,714	(23%)
Milling and processing	30,023	27,955	7%
Production administration	4,315	4,680	(26%)
Total operating costs	59,644	59,651	(0%)
Refining and shipment	2,320	2,459	(6%)
Royalties and production taxes	5,772	6,194	(7%)
Net inventory adjustments	(3,856)	(73)	330%
Total costs of sales	\$ 63,880	\$ 68,231	6%

During the nine months ended September 30, 2023, the Company recognized \$0.4 million as inventory write downs in costs of sales due to cost of stockpile materials that are higher than net realizable value.

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. The decrease in mining royalty taxes is primarily attributable to lower ounces produced and exported.

Depreciation and depletion

Depreciation and depletion costs form a component of operating costs and were \$3.5 million during the nine months ended September 30, 2023, compared to \$5.5 million during the nine months ended September 30, 2022. The decrease in depreciation and depletion costs is attributable to lower ounces sold.

General and administrative expenses

General and administrative expenses decreased to \$8.3 million during the nine months ended September 30, 2023, compared to \$10.0 million during the nine months ended September 30, 2022. Items included in general and administrative expenses are as follows:

	Nine months ended September 30,		
	2023	2022	Change
Salaries and general office administration	\$ 5,765	\$ 5,005	15%
Share-based compensation	524	1,486	(65%)
Corporate development	1,101	1,778	(38%)
Other expenses	428	-	100%
Management fee	-	1,303	(100%)
Community relations	458	395	16%
	\$ 8,276	\$ 9,967	(17%)

Exploration and evaluation expenses

During Q1 2023, the San Pablo project exploration activities were terminated, and the project was returned to the previous owner. As a result of the termination, the amount of \$0.9 million accrued for payment, on achievement of certain milestone, to the previous owner was reversed and credited in the exploration and evaluation expenses in Q1 2023.

Exploration and evaluation expenses, net of a \$0.9 million credit resulting from the reversal of an accrual, was \$0.3 million for the nine months ended September 30, 2023, compared to \$3.2 million expense for the same period of 2022. The decrease was due to a cessation of exploration activities at the San Pablo properties. During the nine months ended September 30, 2023, \$0.5 million of the \$1.2 million exploration and evaluation spending was on the FDF project and \$0.3 million on Kollpani project and \$0.1 million on Paca project.

Other income (loss)

Other income was \$3.0 million during the nine months ended September 30, 2023, up \$3.4 million when compared to negative \$0.4 million during the same prior year period. The increase of \$3.4 million was predominantly due to:

- \$2.3 million realized gain on the unwinding of forward contracts.
- \$0.8 million unrealized gain on the fair value of derivative contracts, which are valued using the option pricing model.
- Interest income of \$1.6 million from the short-term investments of the Company's cash balance.
- \$2.3 million decrease in the fair value "mark-to-market" adjustments of the Company's holdings of marketable securities.

Finance costs

Finance costs, consisting of accretion expenses on reclamation provision and banking expenses, in the nine months ended September 30, 2023, were \$1.2 million, up 22% compared to \$1.0 million of the same prior year period. The increase was primarily due to an increase in accretion expenses impacted by the remeasurement of the reclamation liability during Q4 2022.

Income tax expense

Income tax expenses during the nine months ended September 30, 2023, were \$4.3 million compared to tax recovery of \$0.06 million in the same prior year period. The income tax expense recorded in nine months ended September 30, 2023, included a current income tax expense of \$4.4 million (nine months ended September 2022 – Income tax recoveries of \$0.6 million) and a deferred income tax recovery of \$0.1 million (nine months ended September 2022 – deferred income tax expense of \$0.6 million).

Income tax expense is related to its Bolivian operations and recognized based on management's estimate of the weighted average Bolivian statutory tax rates expected for the full financial year. The Company's effective tax rate is impacted by a statutory income tax rate of 32.5% in Bolivia. The increase in current income tax expense was due to higher taxable income recognized during 2023.

The Company recorded deferred income tax recovery of \$1.0 million during nine months ended September 30, 2023, compared to deferred income tax expenses of \$0.6 million during the same period of 2022. The increase in deferred income tax is directly attributable to the tax effects of temporary differences between accounting and tax basis of the assets and liabilities of the Bolivia operations assets.

Review of the statements of financial position as at September 30, 2023 compared to December 31, 2022

	September 30, 2023		December 31, 2022	
Assets				
Current	\$	109,842	\$	109,300
Non-current	\$	27,210	\$	24,557
Total	\$	137,052	\$	133,857
Liabilities				
Current	\$	23,721		19,025
Non-current	\$	19,610	\$	20,405
Total	\$	43,331	\$	39,430

Current assets were \$10.9.8 million as at September 30, 2023, up from \$109.3 million as at December 31, 2022 primarily as a result of the following:

- \$3.9 million decrease in cash and cash equivalents.
- \$6.1 million increase in inventories primarily attributable to approximately \$4.9 million worth of silver bullion held at a third-party refinery.
- \$1.9 million decrease in marketable securities largely due to change in the fair value "mark-to-market" adjustments of the Company's holdings of marketable securities.
- \$3.8 million decrease in current VAT receivables due to VAT certificates recovered and utilized.
- \$2.8 million increase in prepaid directly attributable advance payments to mineral material vendors.

Non-current assets increased by \$2.7 million from \$24.6 million as at December 31, 2022 largely due to a \$4.0 million increase in VAT receivables, a \$0.1 million increase in deferred tax assets and a decrease of \$4.1 million in property plant and equipment. The decrease or increase to the items included in the non-current assets are explained as follows:

- The carrying value of property, plant and equipment as of September 30, 2023, was \$12.5 million compared to \$16.6 million as of December 31, 2022. The decrease was primarily due to depreciation, depletion and amortization of property, plant and equipment in the normal course of operations during the period partially offset by \$2.6 million additions of property, plant and equipment.
- The increase in deferred income tax asset was primarily due to the tax effects of temporary differences between the accounting and tax basis of the assets and liability balances related to the Bolivian operations.

Current liabilities increased to \$23.7 million as of September 30, 2023, from \$19.0 million as of December 31, 2022. The increase of \$ 4.7 million was primarily due to an increase of \$1.2 million accounts payable and accruals and \$2.9 million in income taxes payable on Bolivian source income.

Non-current liabilities of \$19.6 million as of September 30, 2023, is comparable to the \$20.4 million as of December 31, 2022. The marginal increase was due to the addition of accretion expense to the reclamation provision.

10. LIQUIDITY AND CAPITAL RESOURCES

Capital resources

Historically, the Company's principal sources of liquidity have been mostly from cash flow from operations. 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.

The Company's ability to generate sufficient cash is dependent on several 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 additional 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 additional financing it might require in the future.

During Q2 2023, the Company entered into silver 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 beginning August 2023 through to December 2023. As of September 30, 2023, the outstanding 600,000 ounces contracts were measured using the option pricing model and recognized an unrealized gain of \$0.6 million in statement of financial position.

As at September 30, 2023, Andean was not subject to any externally imposed capital requirements.

Cash flow

	For the nine months ended	
	September 30, 2023	September 30, 2022
Net cash (used in) provided from operating activities	\$ (956)	\$ 245
Net cash used in investing activities	\$ (3,813)	\$ (1,823)
Net cash used in financing activities	\$ (1,521)	\$ (135)

Cash and cash equivalents as of September 30, 2023, were \$76.8 million, down 5% or \$3.9 million compared to \$80.7 million as at December 31, 2022. The decrease is mainly due to a \$1.0 million decrease in net operating cash flow impacted by lower revenue, \$3.8 million invested in PPE and marketable securities, and \$1.7 million spent on financing activities through share repurchased transactions, partially offset by a negative \$2.4 million loss from exchange rate changes on cash holdings.

Net cash used in operating activities for the nine months ended September 30, 2023, was \$1.2 million more than the same period ended September 30, 2022, primarily driven by increase in net non-cash working capital changes largely offset by the non cash adjustments to net income. As noted above, a decrease in silver production drove the decrease in operating income, while the change in working capital was driven primarily by the increase in inventory of silver bullion.

Net cash used in investing activities for the nine months ended September 30, 2023, was \$3.8 million compared with \$1.8 million for the nine months ended September 30, 2022. During the nine months ended Q3 2023, the Company spent \$2.6 million on additions to property plant and equipment at its Bolivian operations and \$1.2 million in marketable securities.

Net cash used in financing activities for the nine months ended September 30, 2023, consisted primarily of \$1.7 million of shares purchased for cancellation pursuant to the Company's NCIB.

Cash and working capital

The Company had \$76.8 million in cash and cash equivalents and positive net working capital of \$86.1 million as at September 30, 2023, consisting of current assets of \$109.8 million less current liabilities of \$23.7 million.

Contractual obligations and operating commitments

A summary of contractual obligations and operating commitments as at September 30, 2023, are as follows:

	Total	Within 1 year	1 - 2 years	3 - 5 years	Greater than 5 years
Provision for reclamation ⁽¹⁾	\$ 19,619	\$ 9	\$ 11,622	\$ 7,988	\$ -
Other provisions	4,223	3,835	388	-	-
EPCM contracts	4,978	4,978	-	-	-
Payments to Silver Elephant	3,800	3,800	-	-	-
	\$ 32,620	\$ 12,622	\$ 12,010	\$ 7,988	\$ -

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.

11. 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 its business, financial condition or results of operations.

12. SUBSEQUENT EVENT

On November 27, 2023, the Company announced that, on November 24, 2023 ("the closing date") the Company signed and closed the acquisition ("the acquisition agreement"), of a 100% interest in Golden Queen Mining Company, LLC ("Golden Queen"), which principal asset is the Soledad Mountain mine and heap leach operation located in Kern County, California, United States of America, from Auvergne Umbrella LLC.

The acquisition price included \$5 million plus net working capital adjustments in upfront cash consideration paid out of the Company's cash on hand plus two deferred payments of \$5 million each. The deferred milestone payments are payable in cash or common shares of the Company, at the Company's option, \$5 million on the 12-month anniversary and \$5 million on the 22-month anniversary of closing.

As part of the acquisition agreement, the Company, through 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 principal payment of \$7.5 million and \$0.2 million of accrued interest was paid by the Company, 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 and accrued interest is due on November 24, 2024, with the remaining principal balance and accrued interest due upon maturity on November 24, 2025.

The Company will consolidate the operating results, cash flows and net assets from the transaction in the Company annual financial statements for the year ending December 31, 2023. The Company will report the financial statement impact of the acquisition, including the allocation of the purchase price based on the fair values of identifiable assets acquired and liabilities assumed as at the closing date, in its annual financial statements for the year ending December 31, 2023.

13. SUMMARY OF QUARTERLY RESULTS

	Q3 2023		Q2 2023		Q1 2023		Q4 2022	
Revenue	\$	38,174	\$	15,284	\$	23,045	\$	25,666
Net (loss) income	\$	(70)	\$	169	\$	219	\$	(3,341)
(Loss) earnings per share								
Basic	\$	(0.00)	\$	0.00	\$	0.00	\$	(0.02)
Diluted	\$	(0.00)	\$	0.00	\$	0.00	\$	(0.02)
Total assets	\$	137,052	\$	135,194	\$	128,736	\$	133,857
Total financial liabilities	\$	43,331	\$	41,289	\$	34,361	\$	39,430

	Q3 2022		Q2 2022		Q1 2022		Q4 2021	
Revenue	\$	23,603	\$	28,892	\$	29,888	\$	31,131
Net (loss) income	\$	(2,840)	\$	(6,184)	\$	2,274	\$	74
(Loss) earnings per share								
Basic	\$	(0.02)	\$	(0.04)	\$	0.01	\$	0.00
Diluted	\$	(0.02)	\$	(0.04)	\$	0.01	\$	0.00
Total assets	\$	139,050	\$	144,198	\$	145,201	\$	140,293
Total financial liabilities	\$	41,757	\$	44,515	\$	39,784	\$	37,735

14. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Ultimate controlling shareholder

The ultimate controlling shareholder is PMB Partners LP, a Canadian partnership, an entity which is directly or indirectly controlled by the Company's Executive Chairman and Chief Executive Officer.

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 and other expenses are payable to companies controlled by the Executive Chairman and Chief Executive Officer of the Company.

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

	Three months ended September 30,				Nine months ended September 30,			
	2023		2022		2023		2022	
Management fees ⁽¹⁾	\$	-	\$	738	\$	-	\$	2,280
Other expenses ⁽²⁾		111		-		537		-
Salaries and benefits		579		282		1,749		917
Share-based compensation		179		452		462		1,469
Total	\$	869	\$	1,472	\$	2,748	\$	4,666

(1) Management fees includes administrative costs and compensation costs and benefits of certain employees in Mexico who provide administrative and operational services to the Company.

(2) Other expenses include rental fees for the corporate office in Monterrey, administrative and operations support services and reimbursement for the expenses incurred on third party technology licenses and fees.

15. ACCOUNTING ESTIMATES, POLICIES AND CHANGES TO ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in accordance with IFRS requires management to make estimates and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes. The critical estimates and judgments applied in the preparation of the September 30, 2023 are consistent with those used in the Company's consolidated financial statements for the year ended December 31, 2022.

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. The key sources of estimation uncertainty and judgment used in the preparation of the consolidated financial statements that might have a significant risk of causing a material adjustment to the carrying value of assets and liabilities and earnings are outlined in Note 4 of the consolidated financial statements for the year ended December 31, 2022.

New and amended IFRS standards that are effective for the current year:

In the current year, the Company has applied a number of new amendments to existing IFRS Standards and Interpretations issued by the IASB that were effective for annual periods that begin on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

In May 2023, the International Accounting Standards Board issued International Tax Reform – Pillar Two Model Rules, which amended IAS 12, Income Taxes (IAS 12). The amendments are effective for annual periods beginning on or after January 1, 2023. The amendments apply to income taxes arising from changes to tax law enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"). The amendments became effective upon issuance, except for certain disclosure requirements which became effective for annual reporting periods beginning on or after January 1, 2023.

Future changes in accounting policies not yet effective in the current period

In April 2021, the IASB issued amendments to IAS 1- Presentation of Financial Statements ("IAS 1"). The amendments to IAS 1 clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024. Early adoption is permitted.

The Company will adopt the amendment on the date it becomes effective and is currently evaluating the impact of the amendment on its consolidated financial statements. Based on the currently available information, the Company does not anticipate any impact from this amendment on its financial statements.

In May 2023, the IASB issued amendments to IAS 7 requiring entities to provide qualitative and quantitative information about their supplier finance arrangements. In connection with the amendments to IAS 7, the IASB also issued amendments to IFRS 7 requiring entities to disclose whether they have accessed, or have access to, supplier finance arrangements that would provide the entity with extended payment terms or the suppliers with early payment terms. These amendments are effective on January 1, 2024, and are not expected to have a significant impact on the Company's financial statements.

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

This management disclosure and analysis contains "specified financial measures" within the meaning of NI 52-112, specifically the non-GAAP financial measures, non-GAAP ratios and supplementary financial measures described below. Management believes that the use of these measures assists analysts, investors and other stakeholders of the Company in understanding the costs associated with producing silver, understanding the economics of gold mining, assessing operating performance, the Company's ability to generate free cash flow from current operations and on an overall Company basis, and for planning and forecasting of future periods.

The specified financial measures used in this MD&A do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers, even as compared to other issuers who may be applying the World Gold Council ("WGC") guidelines. 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.

The following is a description of the non-GAAP financial measures, non-GAAP ratios and supplementary financial measures used in this MD&A:

- (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 material 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 material processed at the mill. Costs per tonne of material processed are the total 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 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.

- (vi) Adjusted EBITDA is a non-GAAP financial measure calculated by adjusting net income (loss) as recorded in the condensed interim consolidated statements of income (loss) for items not associated with ongoing operations. The Company believes that this generally accepted industry measure allows the evaluation of the results of income-generating capabilities and is useful in making comparisons between periods. This measure adjusts for the impact of items not associated with ongoing operations. A reconciliation of adjusted net income (loss) to the nearest IFRS measures is set out below. Management uses this measure to monitor and plan for the operating performance of the Company in conjunction with other data prepared in accordance with IFRS.
- (vii) Free cash flow is a non-GAAP financial measure calculated as cash provided by operating activities from continuing operations less property, plant and equipment additions. A reconciliation of free cash flow to the nearest IFRS measures is set out below. Management uses this measure to monitor the amount of cash available to reinvest in the Company and allocate for shareholder returns.
- (viii) Average realized silver price is a supplementary financial measure calculated by dividing the different components of gold sales by the number of ounces sold. Management uses this measure to monitor its sales of silver ounces against the average market gold price

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 September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Costs of sales, as reported	\$ 30,892	\$ 23,052	\$ 63,880	\$ 68,231
Add: Inventory adjustment	(7,429)	697	3,856	73
Total OCC before by-product credits	23,463	22,355	67,736	68,304
Less: by-product gold credits	(392)	(1,104)	(807)	(4,035)
Total OCC	23,071	21,251	66,929	64,269
Divided by silver ounces produced (k oz)	1,190	1,168	3,357	3,555
OCC per silver ounce, produced on a by-product basis	\$ 19.39	\$ 18.19	\$ 19.94	\$ 18.08

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Costs of sales, as reported	\$ 30,892	\$ 23,052	\$ 63,880	\$ 68,231
Total OCC before by-product credits	30,892	23,052	63,880	68,231
Less: by-product gold credits	(392)	(1,104)	(807)	(4,035)
Total OCC	30,500	21,948	63,073	64,196
Divided by silver ounces sold (k oz)	1,552	1,170	3,154	3,568
OCC per silver ounce, sold on a by-product basis	\$ 19.65	\$ 18.74	\$ 20.00	\$ 17.99

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 September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
OCC	\$ 30,500	\$ 21,948	\$ 63,073	\$ 64,196
General and administrative expenses	2,701	3,545	8,276	9,967
Sustaining capital expenditures ⁽ⁱ⁾	174	742	571	1,823
Lease payments	-	47	-	135
Accretion for decommissioning liability	326	278	998	842
Less: Items included in G & A				
Business development	(525)	(722)	(1,101)	(1,778)
Share-based compensation	(159)	(452)	(524)	(1,486)
Severance payment	5	-	-	-
AISC	33,022	25,385	71,293	73,699
Divided by silver ounces sold (k oz)	1,552	1,170	3,154	3,568
AISC per silver ounce, sold on a by-product basis	\$ 21.28	21.69	\$ 22.60	\$ 20.66

(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 September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
AIC	\$ 33,022	\$ 25,385	\$ 71,293	\$ 73,699
Non-sustaining exploration and evaluation costs ⁽ⁱ⁾	252	1,253	315	3,157
Growth capital	1,583	-	2,044	-
AIC	34,857	26,638	73,652	76,856
Divided by silver ounces sold (k oz)	1,552	1,170	3,154	3,598
AIC per silver ounce sold, on a by-product basis	\$ 22.46	\$ 22.76	\$ 23.35	\$ 21.53

(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 MD&A. 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 September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 76	\$ (2,840)	\$ 464	\$ (6,750)
Add:				
Income taxes	2,848	(4,178)	4,307	(19)
Finance costs	347	328	1,154	988
Depreciation and depletion	1,009	1,982	3,528	5,546
EBITDA	4,280	(4,708)	\$ 9,453	\$ (235)
Add: Non sustaining exploration and evaluation costs	378	1,253	315	3,156
Add: Corporate development	525	722	1,101	1,778
Less: Change in fair value of derivative contracts ⁽ⁱ⁾	175	-	(797)	-
Less: Change in fair value of marketable securities ⁽ⁱⁱ⁾	1,441	(383)	2,128	(204)
Adjusted EBITDA	\$ 6,799	\$ (3,116)	\$ 12,200	\$ 4,495

(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 securities held of Santacruz.

Free Cash Flow

The Company has included free cash flow as a non-IFRS performance measure in this MD&A. 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 September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net cash (used in) provided from operations	\$ 8,661	\$ (2,503)	\$ (955)	\$ 245
Less:				
Expenditures on property, plant and equipment	(1,757)	(742)	(2,615)	(1,823)
Lease payments	-	(47)	-	(135)
Free cash flow	\$ 6,904	\$ (3,292)	\$ (3,570)	\$ (1,713)

Average Realized Gold and Silver Prices

The Company has included average realized prices per ounce as a non-IFRS performance measure in this MD&A. 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 September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Silver revenue	\$ 37,782	\$ 22,499	\$ 75,696	\$ 78,348
Silver sold (k oz)	1,552	1,170	3,154	3,568
Average realized silver price per ounce	\$ 24.34	\$ 19.23	\$ 24.00	\$ 21.96
	2023	2022	2023	2022
Gold revenue	\$ 392	\$ 1,104	\$ 807	\$ 4,035
Gold sold (oz)	200	650	415	2,221
Average realized gold price per ounce	\$ 1,960	\$ 1,698	\$ 1,945	\$ 1,817

17. 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.

18. DISCLOSURE OF OUTSTANDING SHARE DATA

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

As at September 30 2023, the Company had 156,665,833 common shares, 1,065,455 options to purchase common shares of the Company and 2,361,917 restricted stock units issued and outstanding. (December 31, 2022 – 158,032,756 common shares, 2,313,913 options and 2,112,913 restricted stock units issued and outstanding.)

As of the date of this filing, the Company had 156,946,833 common shares, 1,165,455 options to purchase common shares of the Company and 2,361,917 restricted stock units issued and outstanding.

19. 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 Financials 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 Financials; and (ii) the Financials 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.

In January 2023, the Company engaged a third-party service provider to assist in the review, evaluation and testing of the Company's controls and procedures in a timely manner over the course of fiscal year 2023. Where necessary, the service provider to also engaged to assist with design and document a new and improved system of internal controls.

There were no changes in the Company's ICFR during the three and six months ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR aside from the implementation of a new Net Suite ERP system for non operating entities within the Company's Corporate segment. The Company implemented the ERP system to improve standardization and automation. The Company believes that the implementation of the ERP system, and related changes to internal controls, will enhance its ICFR while providing the ability to scale its business in the future. Management employed appropriate procedures to ensure internal controls were in place during and after the implementation.

20. RISK FACTORS

The Company's activities expose it to a variety of financial market risks, credit risks and liquidity risks, as described in Note 20 of the audited consolidated financial statements of the Company for the year ended December 31, 2022. The Company also identified a number of other risks and uncertainties in its Management Discussion and Analysis dated March 17, 2023, including, but not limited to: (i) commodity prices; (ii) supply and quality of purchase material; (iii) cost estimate, (iv) exploration, development and operating risks, (v) health, safety and environmental risks and hazards, (vi) nature and climatic conditions, (vii) uncertainty in the estimation of mineral reserves and mineral resources, (viii) uncertainty relating to

mineral resources, (ix) uncertainty relating to future production estimates, (x) foreign operations and political risks, (xi) increases in production costs, (xii) compliance costs, and (xiii) community relations.

21. 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, including mining capacity, recovery, cash costs, production and mine life; the expected timing for the full depletion of production material at Cachi Laguna; the Company's plans for the Paca Project during Q4 2023 including the hauling of loose ore on the surface for processing, the completion of drill programs, and the commencement of mining activities; COMIBOL's intention to restrict mining activities above the 4,400 metres elevation mark, results of the Company's ongoing contractual negotiations with COMIBOL, and anticipated ore tonnages from the FDF and Paca projects; the Company's revised expectations regarding silver equivalent production for full year 2023, revised expectation of AISC per silver equivalent ounce and expectations to meet the 2023 production guidance; the Company's exploration and development plans, including advancements to the FDF/DSF project, the expected timing and total capital costs for the completion of the FDF/DSF project, the expected timing of the disclosure of the new mineral resource estimate; the Company's assessment of acquisition opportunities; the timing of a new technical report; the Company's plans for growth through exploration activities, acquisitions or otherwise; expectations regarding future maintenance and capital expenditures, working capital requirements and the availability of financing. 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 oxide material 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 this MD&A and the Company's Management Discussion and Analysis dated March 17, 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 MD&A if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

22. QUALIFIED PERSONS

All 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. and he has visited the Company's various sites – most recently in September 2023.