ASX CODE:
ASL

ANDEAN SILVER

For personal use only

Not for release to US wire services or distribution in the United States

18 July 2025

Cerro Bayo Silver-Gold Project, Chile

Andean targeting substantial resource growth and upgrades after successful $30m placement

Placement will see Andean emerge with a pro forma cash balance of ~$42m, enabling it to rapidly unlock the substantial exploration upside it has established while accelerating mining restart studies

---

- **Andean has received firm commitments totalling A$30 million via a Placement to institutional and sophisticated investors**
- **The Placement was priced at A$1.20 per share, representing a 13.4% discount to the last sale price of A$1.385, and a 2.8% discount to the 10-day VWAP**
- **The Placement was well supported, particularly from northern hemisphere-based institutions, resulting in applications being scaled-back significantly**
- **The proceeds will enable Andean to capitalise on the re-rating currently underway in the silver sector, targeting resource growth and infill drilling campaigns while demonstrating the production potential through mining studies. Specifically, funds will be used to progress:**
  - **ongoing drilling targeting resource expansion in both brownfield and greenfield areas;**
  - **conversion of Inferred Resources into Measured and Indicated;**
  - **delivery of mining, metallurgical and geotechnical studies supporting an internal restart scoping study; and**
  - **the commencement of feasibility studies**
- **Canaccord Genuity, Euroz Hartleys and SCP Resource Finance acted as Joint Lead Managers to the Placement.**

Andean Chief Executive Tim Laneyrie said: *"We have established a pipeline of outstanding value-creating opportunities and now we have the funds to pursue them as rapidly as possible.*

"The scope for resource growth through a combination of brownfields and greenfields exploration is exceptional.

"At the same time, we have the opportunity to drive substantial value by upgrading Inferred Resources to Measured and Indicated. These categories typically attract higher valuations as a consequence of their increased certainty, which will in turn help underpin mining studies.

ANDEANSILVER.COM
(+61) 8 6256 3950
Level 2/8 Richardson Street West Perth, WA 6005
info@andeansilver.com
ACN 645 578 454

For personal use only

"There is clearly a re-rating underway among silver stocks as the market focuses on forecasts of supply deficits and growing M&A activity in the sector.

"Progressing mining restart and feasibility studies will enable us to demonstrate the production potential at Cerro Bayo which is the next step in a rapidly evolving story".

Andean Silver Limited (ASX: ASL) is pleased to advise that it has received firm commitments from institutional and sophisticated investors to raise A$30 million (before costs) through the issue of 25,000,000 fully paid ordinary shares in the Company ("Shares") at an issue price of A$1.20 per Share ("Placement").

Upon completion of the Placement, Andean will have pro-forma cash of ~A$42.2 million (before costs and the end of month creditor payment run) based on a current cash balance of ~A$12.2 million as at 30 June 2025.

Use of Funds

Proceeds of the Placement will be used for drilling aimed at growing the Mineral Resource Estimates in both brownfield and greenfield areas, as well as converting Inferred Resources into Measured and Indicated Resources. This will support delivery of a mining study, metallurgical and geotechnical test work and other restart study activities. Proceeds will also fund working capital and Placement costs.

Placement

The Placement will be conducted using the Company's existing capacity under ASX Listing Rules 7.1 (9,168,779 Shares) and 7.1A (15,831,221 Shares) to raise a total of A$30,000,000, with settlement expected to occur on Thursday, 24 July 2025.

The issue price represents a discount of 13.4% to the last closing price of A$1.385 on Tuesday, 15 July 2025, a discount of 7.3% to the 5-day VWAP of A$1.295, a 2.8% discount to the 10-day VWAP of A$1.234 and a 3.8% premium to the 15-day VWAP of $1.156.

Canaccord Genuity (Australia) Limited, Euroz Hartleys Limited and SCP Resource Finance acted as Joint Lead Managers and Joint Bookrunners to the Placement.

Indicative Timetable*

Event	Time/Date
Announcement of Placement and lodgement of Appendix 3B (prior to commencement of trading)	Friday, 18 July 2025
Trading Halt lifted	Friday, 18 July 2025
Settlement of Placement Shares	Thursday, 24 July 2025
Issue and application for quotation of Placement Shares	Friday, 25 July 2025

* The above timetable is indicative only. Andean reserves the right to vary dates and times without notice.

All amounts are in Australian dollars unless otherwise indicated.

For personal use only

-ENDS-

This announcement has been approved for release by the Board of Directors.

For further information:

Tim Laneyrie
Chief Executive Officer
Andean Silver Limited
info@andeansilver.com

Media:
Paul Armstrong
Read Corporate
+61 8 9388 1474

About Andean Silver

Andean Silver Limited (ASX:ASL) is an Australian mineral exploration and development company focused on advancing its 100% owned Cerro Bayo Silver-Gold Project in the Aysen region of Southern Chile. The Cerro Bayo Silver-Gold Project currently hosts an Indicated and Inferred Mineral Resource Estimate of 9.8Mt at a grade of 353g/t for 111Moz of contained AgEq (refer Appendix A of this release). Andean intends to rapidly advance the project and grow the existing silver-gold Resources to demonstrate a globally significant silver-gold asset. For further information regarding Andean Silver Limited, please visit the ASX platform (ASX:ASL) or the Company's website at www.andeansilver.com

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Competent Persons Statement and Compliance Statements

The Mineral Resource Estimate for the Cerro Bayo Project referred to in this announcement was first reported in the Company's ASX release dated 1 April 2025, titled "Cerro Bayo Resource increases by 22 per cent to 111Moz". Andean confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that the material assumptions and technical parameters underpinning the mineral resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

Metal equivalents have been calculated at a silver price of US$23/oz and gold price of US$1,900/oz. Individual grades for the metals are set out at Appendices A and B of this announcement. Silver equivalent was calculated based on the formula AgEq(g/t) = Ag(g/t) + (83 x Au(g/t). Gold equivalent was calculated based on the formula AuEq(g/t) = Au(g/t) + (Ag(g/t) / 83). Metallurgical recoveries for gold and silver are closely linked and are typically 90-93% for gold and silver. The actual assumed metallurgical recovery rate used to calculate the metal equivalents is 90% for each of gold and silver. The Company considers the estimation of metallurgical recoveries in respect of exploration work to be reasonable based on the past processing records from the nearby Cerro Bayo plant between 1995 and 2016, and work undertaken in preparing the Mineral Resource Estimate. It is the Company's view that all elements in the silver and gold equivalents calculations have a reasonable potential to be recovered and sold.

For personal use only

APPENDIX A – Cerro Bayo Project Mineral Resource Estimate

Mineral Resource Estimate as at 1 April 2025

	Indicated								
Area	Tonnes (Mt)	Ag Grade (g/t)	Au Grade (g/t)	Silver (Moz)	Gold (Moz)	AgEq (g/t)	AgEq (Moz)	AuEq (g/t)	AuEq (koz)
LVMC - UG	1.0	331	3.1	10	0.1	588	18	7.1	0.2
	1.0	**331**	**3.1**	**10**	**0.1**	**588**	**18**		

	Inferred								
Area	Tonnes (Mt)	Ag Grade (g/t)	Au Grade (g/t)	Silver (Moz)	Gold (Moz)	AgEq (g/t)	AgEq (Moz)	AuEq (g/t)	AuEq (koz)
LVMC - UG	3.3	174	3.0	19	0.3	421	46	5.1	0.5
LVMC - OP	3.0	38	1.6	4	0.2	171	16	2.1	0.2
CBMC - UG	2.5	197	2.4	16	0.2	393	31	4.7	0.4
	8.8	**136**	**2.3**	**38**	**0.7**	**330**	**93**	**4.0**	**1.1**

Total Indicated and Inferred	Tonnes (Mt)	Ag Grade (g/t)	Au Grade (g/t)	Silver (Moz)	Gold (Moz)	AgEq (g/t)	AgEq (Moz)	AuEq (g/t)	AuEq (koz)
	9.8	**151**	**2.4**	**47**	**0.8**	**353**	**111**	**4.3**	**1.3**

1. *Mineral Resource Estimates are classified and reported in accordance with the JORC Code.*
2. *Open pit resources are reported to a cut-off grade of 65g/t AgEq.*
3. *Pit optimisation shells were used to constrain the resource using a gold price of US$1,850/oz and Silver price of US$24/oz.*
4. *Taitao Underground ("UG") Mineral Resource Estimates are reported at a cut-off of 165g/t AgEq beneath the open pit ("OP"). Laguna Verde Mining Complex ("LVMC") and Cerro Bayo Mining Complex ("CBMC") Resources external to Taitao are reported at a cut-off of 200g/t AgEq.*
5. *Individual grades for all metals included in the metal equivalents calculation are set out in the table above. Silver equivalents are calculated using the equation AgEq = Ag(g/t) + (83 x Au(g/t) and gold equivalents are calculated based on the equation AuEq = Au(g/t) + (Ag(g/t) / 83) based on a gold price of US$1,900/oz and Silver price of US$23/oz. Metallurgical recoveries for gold and silver are closely linked and are typically 92-93% for gold and silver. The actual assumed metallurgical recovery rate used to calculate the metal equivalents is 90% for each of gold silver. The Company considers the estimation of metallurgical recoveries in respect of exploration work to be reasonable based on the past processing records from the nearby Cerro Bayo plant between 1995 and 2016, and work undertaken in preparing the Mineral Resource Estimate. It is the Company's view that all elements in the silver and gold equivalents calculations have a reasonable potential to be recovered and sold.*
6. *Bulk Density of 2.63g/cm^3 has been applied to veins and 2.57g/cm^3 has been applied to stockwork and waste domains.*
7. *No internal selectivity or dilution has been applied and the stockwork domains have been modelled using a selective mining unit (SMU) of 2.5m x 5m x 2.5m (X,Y,Z) with dilution incorporated into the SMU.*
8. *Numbers may not add due to rounding.*