

For personal use only



ANDEAN
SILVER

ABN 24 645 578 454

CONSOLIDATED FINANCIAL REPORT

FOR THE HALF-YEAR ENDED
31 DECEMBER 2024



CONTENTS

CORPORATE DIRECTORY	1
DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	19
HALF-YEAR FINANCIAL REPORT	20
DIRECTORS' DECLARATION.....	38
INDEPENDENT AUDITOR'S REVIEW REPORT.....	39

Non-Executive Chairman

David Southam

Non-Executive Directors

Ray Shorrocks

Patrick Gowans

Carl Travaglini

Company Secretaries

Maddison Cramer

Andrew Bickley

Principal and Registered Office

Level 2, 8 Richardson Street

West Perth WA 6005

Telephone: +61 8 6256 3950

Stock Exchange Listing

Australian Securities Exchange

ASX Code: ASL

Website Address

www.andeansilver.com

Auditors

RSM Australia Partners

Level 27, 120 Collins Street

Melbourne VIC 3000

Share Registry

Computershare Investors Services Pty Limited

Level 17, 221 St Georges Terrace

Perth WA 6000

T: 1300 850 505 (within Australia)

T: +61 3 9415 4000 (outside Australia)

Bankers

National Australia Bank

50 St Georges Terrace

Perth WA 6000

Solicitors

Hamilton Locke

Level 39/152-158 St Georges Terrace

Perth WA 6000

T: +61 8 6311 9160

The Directors of Andean Silver Limited, formerly Mitre Mining Corporation Limited ("Andean" or "Company") and its controlled entities (collectively, "Group") present their half-year report together with the interim financial statements of the Group for the half year period ended 31 December 2024.

BOARD OF DIRECTORS AND COMPANY SECRETARIES

The Directors of the Company in office during the half-year until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated:

David Southam	Non-Executive Chairman, appointed 1 October 2024 (<i>previously Non-Executive Director</i>)
Raymond Shorrocks	Non-Executive Director, appointed 1 October 2024 (<i>previously Non-Executive Chairman</i>)
Patrick Gowans	Non-Executive Director
Carl Travaglini	Non-Executive Director

Joint Company Secretaries

Maddison Cramer	
Andrew Bickley	Appointed on 1 November 2024

PRINCIPAL ACTIVITIES

The principal activity of the Group during the period was mining exploration. There have been no significant changes in these activities during the period.

REVIEW OF OPERATIONS

Cerro Bayo Silver-Gold Project

Background

The Cerro Bayo Project is located in the Aysen Region in southern Chile (Figure 1). Production started in 1995, with more than 100Moz AgEq produced up until June 2017¹. The Project occupies the western margin of the Deseado Massif, which is considered to be one of the premier epithermal gold-silver mining provinces globally, hosting world-class deposits such as Cerro Negro (Newmont) and boasts an endowment of >20Moz of gold and >450Moz of silver.



Figure 1. Cerro Bayo Silver-Gold Project in the Aysen Region of Southern Chile located within the world-class mining district of the Deseado Massif, host to significant historic and operating mines with resources.²

General operations

Recruitment and Resourcing

During the half-year Andean continued hiring key personnel to support drilling, regional exploration, long-term permitting work and general site operations, as the Cerro Bayo operations continued to expand across site. Significant hires during the quarter included a highly experienced Environmental/Permitting Manager, Exploration Manager and experienced senior generative geologists.

Geological Targeting

Andean conducted a series of field mapping campaigns focusing on the Droughtmaster Corridor (Figure 2) proximal to the Cerro Bayo Mine Complex which represents the southern extension to the Guanaco vein corridor. The veins discovered to date are spatially associated with a series of intrusive domes and interpreted graben structures and display a range of high-level epithermal characteristics that are consistent with district wide controls on the distribution of silver-gold mineralisation.

Further mapping will be conducted in CY25 to further expand and refine the targets within this area. Shallow historic drilling that was conducted within the region will be re-evaluated for the effectiveness in defining the target areas.

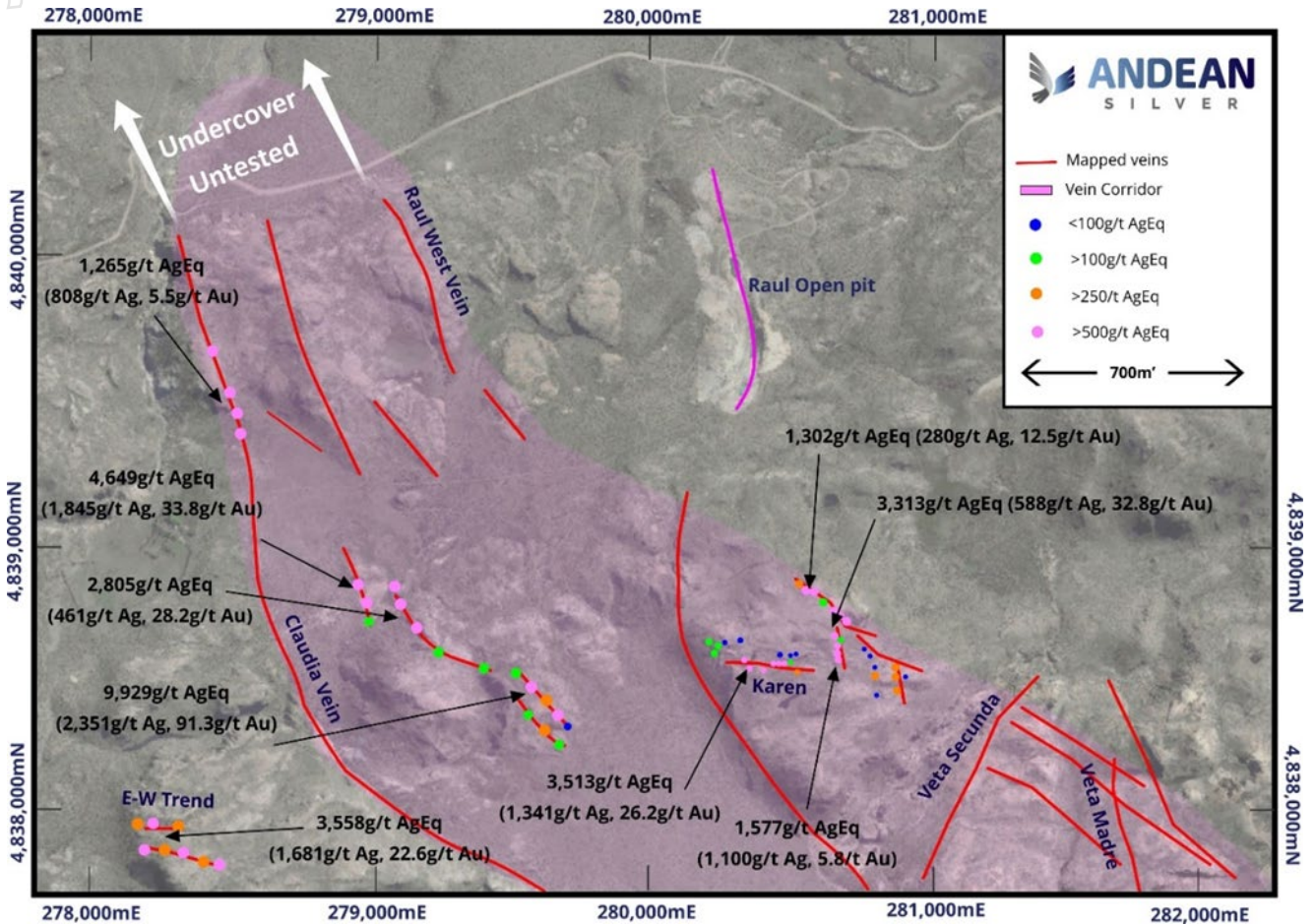


Figure 2. Droughtmaster corridor extending over 4km from the Veta Madre zone to the Guanaco Vein corridor. ³

Bonanza rock chip results over this area include:³

- 9,929 AgEq (2,351g/t Ag & 91.3g/t Au);
- 4,650g/t AgEq (1,845g/t Ag & 33.8g/t Au);
- 3,513g/t AgEq (1,341g/t Ag & 26.2g/t Au);
- 3,350g/t AgEq (949g/t Ag & 28.9g/t Au);
- 3,313g/t AgEq (588g/t Ag & 32.8g/t Au); and
- 3,278g/t AgEq (1,865g/t Ag & 17g/t Au).

An internal geological review of the prospectivity of the project using a highly respected external geological consultant with expertise in epithermal mineralogy was conducted during the half-year. The review enhanced Andean's understanding of the regional potential of the Cerro Bayo project through the evaluation of prior exploration approaches. Key findings of this review showed the potential for multiple styles of overlapping mineralisation across the tenure, which increases the prospectivity of major mineralised zones and could add key polymetallic credits on top of the primary gold-silver zones (Figure 3). This new geological model will continue to be refined to identify further targets for exploration during 2025.

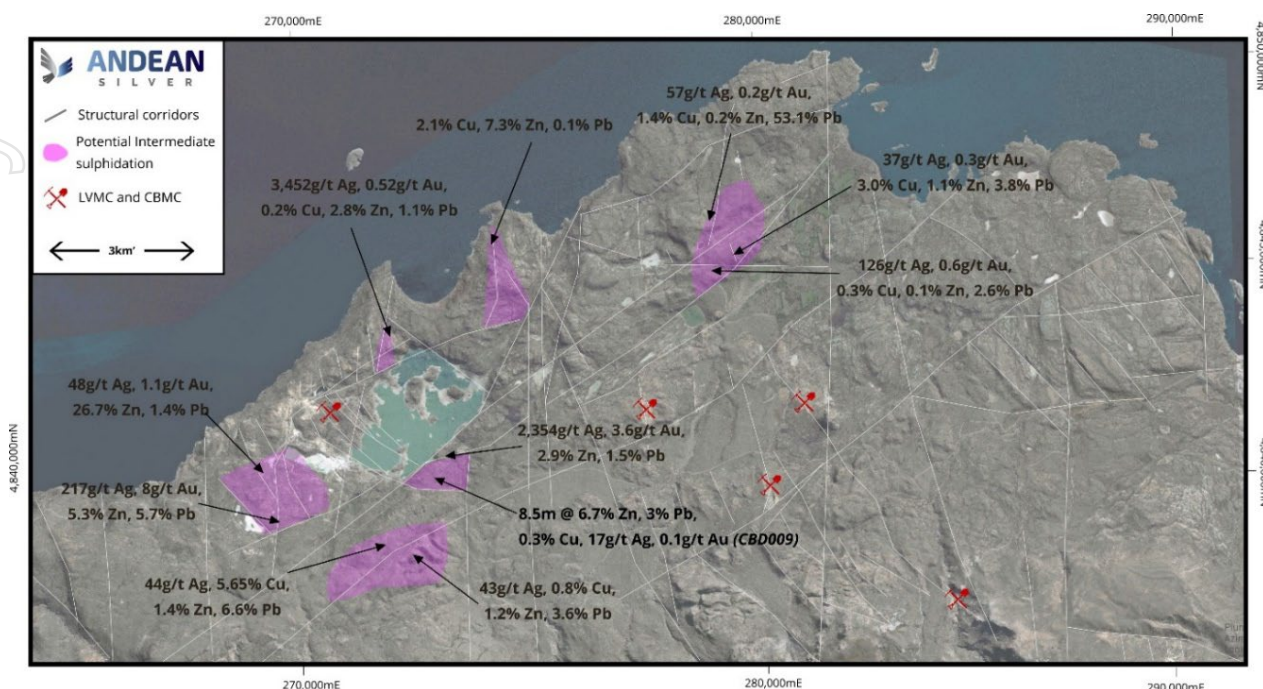


Figure 3. Interpreted zoning of potential base metal rich zones within the Cerro Bayo tenure.⁴

Resource Growth

During the half year, the Cerro Bayo Project saw a substantial growth to its Mineral Resource Estimate by over 80% to 8.3Mt silver equivalent ("AgEq") ounces at 342g/t AgEq for 91Moz AgEq.⁵ The Resource update included the addition of underground resources at Lourdes, Marcela and Cerro Bayo within the immediate historic Cerro Bayo mine complex ("CBMC"), as well as other more regional prospects, including Raul and Guanaco.

Andean expects to see continued resource growth of the project through a combination of brownfields growth and greenfields discovery across the land package, supported by multiple drill rigs currently on site and field geology crews opening up new areas of discovery.

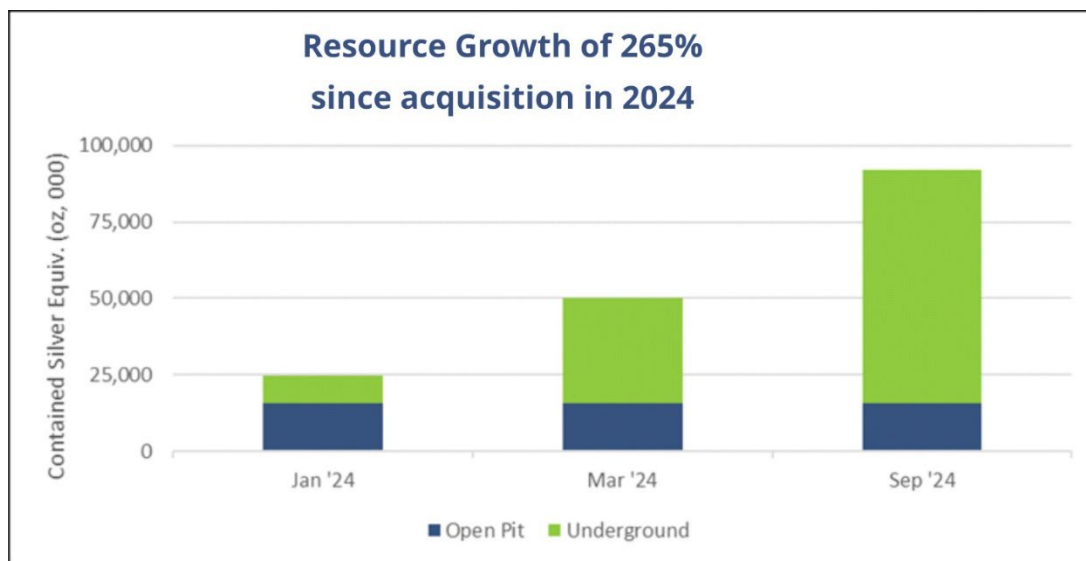


Figure 4. Significant and consistent Resource growth since the Project was acquired in early 2024.⁶

Tonnes (Mt)	AgEq (g/t)	AgEq (Moz)	Ag Grade (g/t)	Au Grade (g/t)	Silver (Moz)	Gold (koz)	AuEq (g/t)	AuEq (Moz)
8.2	342	91	146	2.4	39	628	4.1	1.1

Table 1. Cerro Bayo Project total Inferred and Indicated Resources as at 1 September 2024.

Refer to page 14 for a full breakdown of the Current Mineral Resource Estimate.

Drilling and Exploration

Drilling during the half-year continued to define the Cristal and Pegaso 7 deposits (both outside existing Resources) along strike and vertically. The Cristal drill campaign continuing to intersect multiple sub vertical lodes within the central Cristal zone as well as a broad mineralised halo. The Pegaso 7 drilling primarily defining the P7-1 central structure and continuing to generate hits across the entire mineralised corridor.

Prior to half-year end, a third drill rig was mobilised to site to support extensional and infill drilling campaigns. This rig has begun to target the Coyita North project area with both infill and extensional drilling with a focus on resource extension proximal to the Laguna Verde processing facility.

Cristal Prospect

During the half-year, the Stage 1 drill program continued to define the structure at Cristal both laterally and vertically. The initial drilling campaign continues to provide significant knowledge of the central Cristal prospect, where no drilling had previously been conducted, which will assist in designing the expanded extensional drill program across the entire known ~700m strike of the Cristal Prospect area in 2025. The maiden Cristal program is expected to be completed Q1 CY2025 with results being used in the maiden Cristal Mineral Resource Estimate also scheduled for Q1 CY2025.

Key outcomes achieved in the initial drilling program included defining the lodes mapped at surface and confirming extension at depth (Figures 5 and 6), gaining preliminary knowledge of the geology to assist in targeting specific horizons, and confirming the presence of a broad halo style mineralisation surrounding the lodes that could represent opportunities for open pit mining.

Significant drilling (all true width) intercepts^{7,8} include:

- 42.2m @122/t AgEq (67g/t Ag @ 0.7g/t Au, 1.5g/t AuEq), including:
- 4.5m @ 584g/t AgEq (380g/t Ag & 2.5g/t Au, 7g/t AuEq);
- 3.3m @ 785g/t AgEq (83g/t Ag & 8.5g/t Au, 9.5g/t AuEq);
- 1.2m @ 1,150g/t AgEq (442g/t Ag & 8.5g/t Au, 13.9g/t AuEq);
- 1.3m @ 325g/t AgEq (121g/t Ag & 2.5g/t Au, 3.9g/t AuEq);
- 2.6m @ 600g/t AgEq (120g/t Ag & 5.8g/t Au, 7.2g/t AuEq); and
- 3.4m @ 478g/t AgEq (13g/t Ag & 5.6g/t Au, 5.7g/t AuEq).

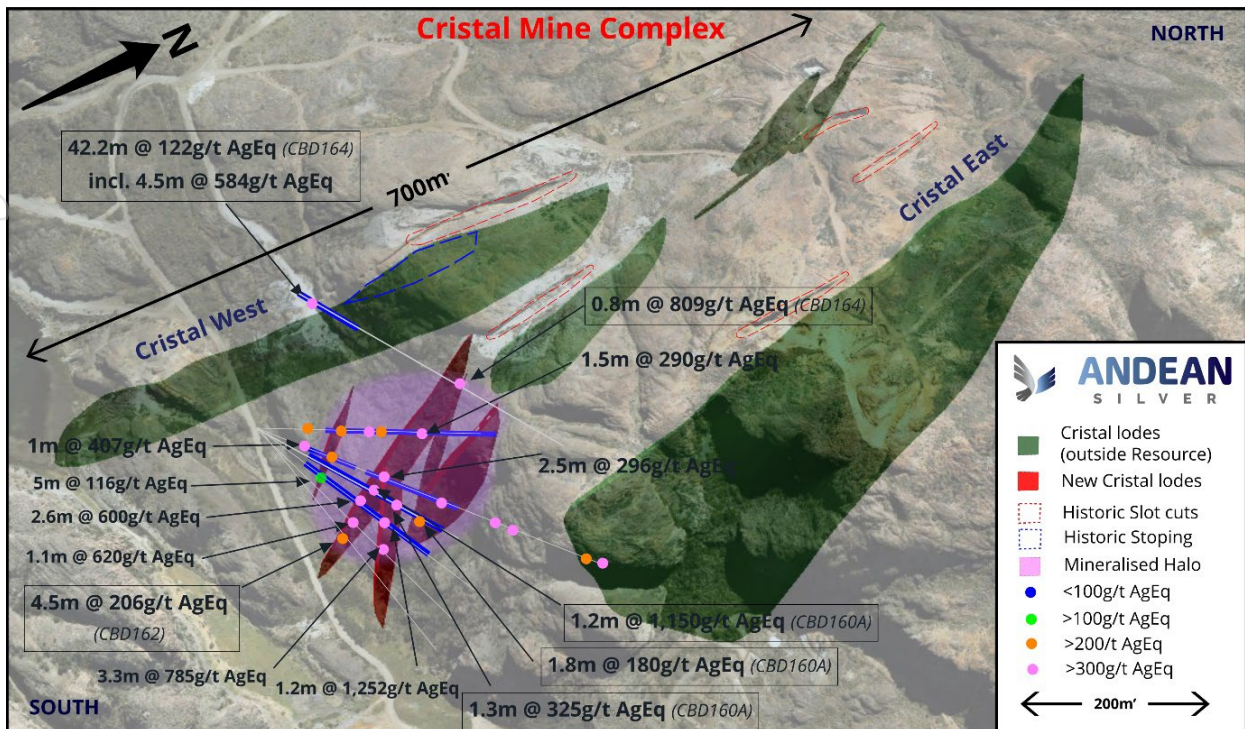


Figure 5. Cristal drilling looking North West. Current drilling is located proximal to the historic Cristal Adit.
For previous exploration results, refer to ASX releases dated 26 March, 16 September, 31 October, and 17 December 2024.

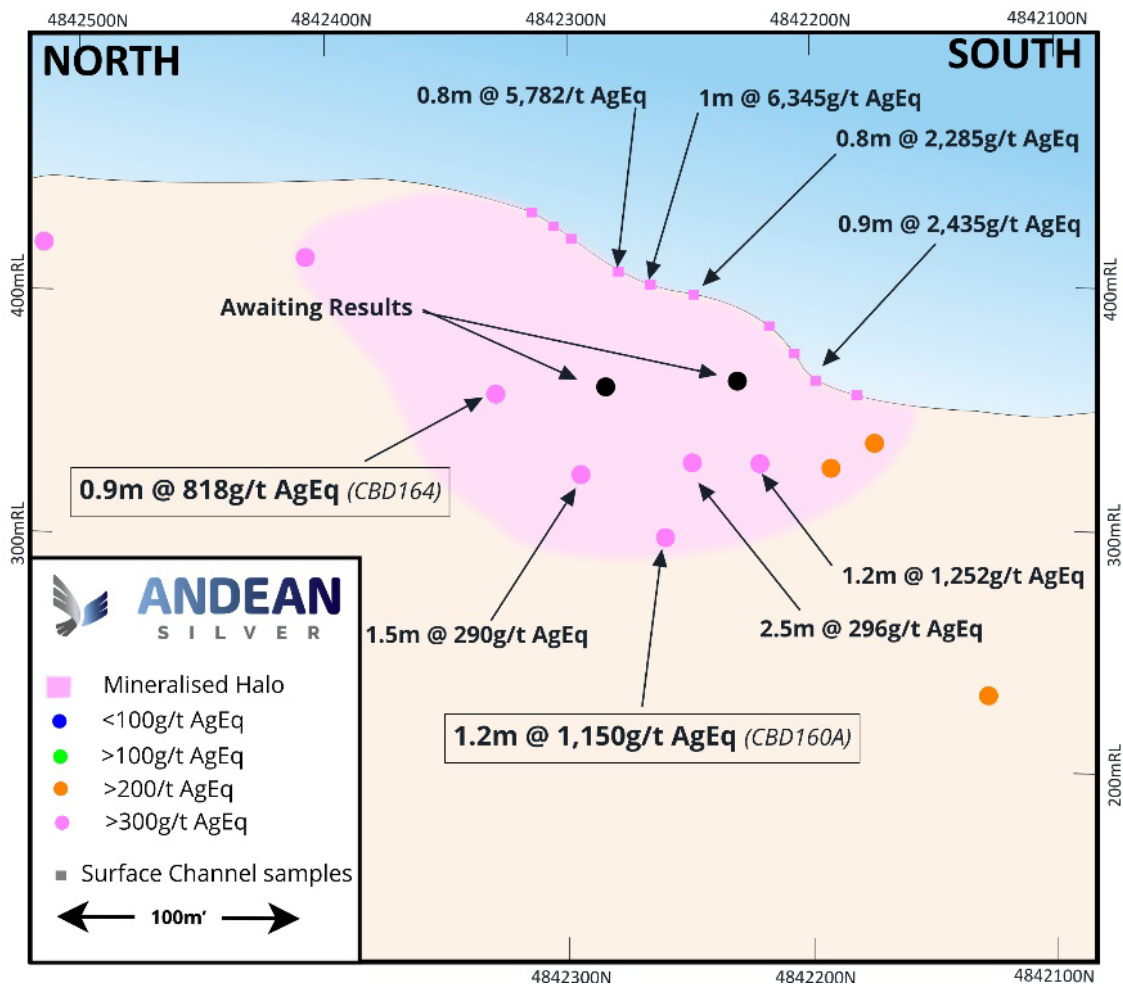


Figure 6. Long Section looking East of the Cristal Central C1 vein showing Andean Drilling and Saw Channel Samples.
For previous exploration results, refer to ASX releases dated 17 December, 26 March, 16 September and 31 October 2024.

Pegaso 7 Prospect

Drilling during the half-year continued to define the principal mineralised vein-breccia structure titled P7_01 vein (Figure 7) and subsidiary veining. Mineralisation seen at Pegaso 7 is within a polyphase quartz vein-breccia zone rich in a gringuro-style black silica sulphide rich matrix containing varying ratios of Acanthite-Proustite-Sphalerite-Galena-Pyrite (Figure 7) with crustiform and colloform quartz textures typically seen in epithermal deposits. Mineralisation typically forms in connection with pre-mineral dacitic domes and intrusive.

During the half-year a geological mapping campaign and logging review was conducted to further refine and identify the drilling targets within the mineralised belt. The first stage drilling campaign is expected to be completed during Q1 CY2025 with results to be included in the subsequent Mineral Resource Estimate update.

Drill planning will be undertaken once the resource work is completed on future extensional and infill campaigns within the belt to the north and south of the P7_01 target.

Significant intercepts include:^{7,8,9}

- 13.1m @ 332g/t AgEq (179g/t Ag & 1.8g/t Au) (4.0g/t AuEq);
- 5.85m @ 807g/t AgEq (351.6g/t Ag & 5.5g/t Au) (9.7g/t AuEq);
- 1.1m @ 1,100g/t AgEq (408g/t Ag & 8.3g/t Au) (13.3g/t AuEq);
- 1.4m @ 318g/t AgEq (226g/t Ag & 1.1g/t Au) (3.8g/t AuEq);
- 3.2m @ 864g/t AgEq (511g/t Ag & 4.3g/t Au) (10.4g/t AuEq);
- 3.1m @ 332g/t AgEq (192g/t Ag & 1.7g/t Au) (4.0g/t AuEq) and
- 5.2m @ 259g/t AgEq (115g/t Ag & 1.7g/t Au) (3.1g/t AuEq).

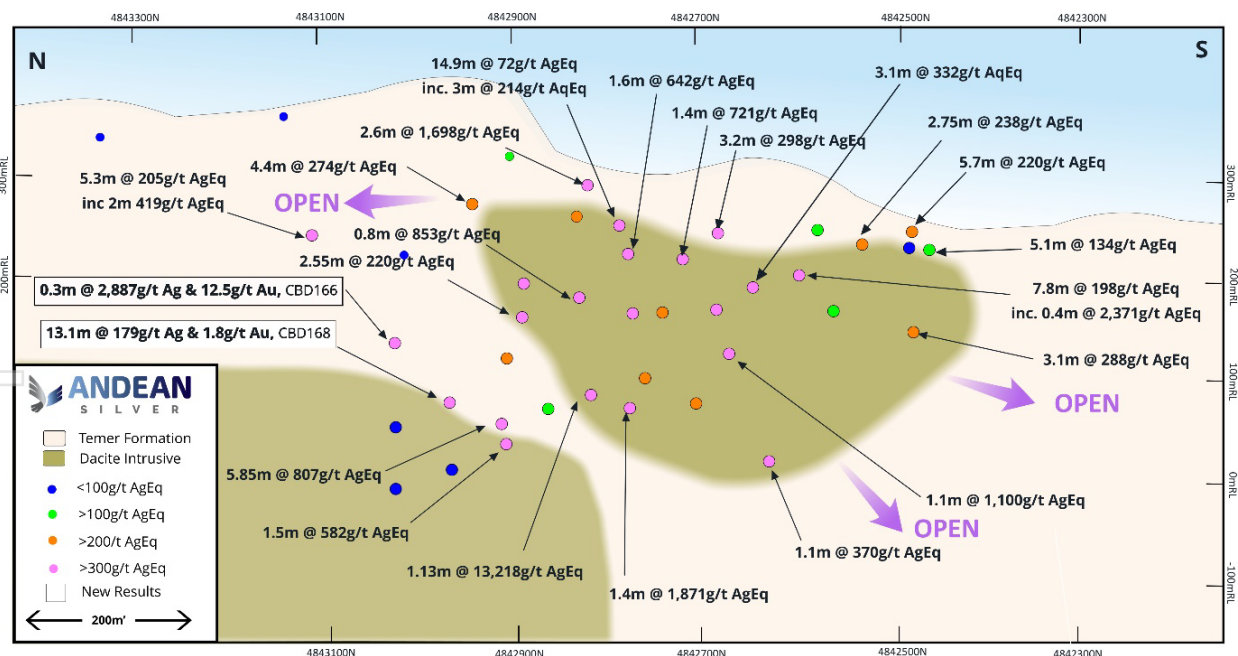


Figure 7. Pegaso 7 long section showing NW trending high-grade silver veining with drill intercepts along the intrusive dacite dome footwall contact referred to as the P7_1 structure.

For previous exploration results, refer to ASX releases dated 26 March, 18 July, 16 September, 31 October and 17 December 2024.

Tenement expansion

During the half-year Andean applied for a number of new exploration tenements (Figure 8) adjacent to its existing Cerro Bayo leases, with geology in these areas showing similarities to the current tenure, which will guide future exploration efforts.

One notable addition is a central tenure previously held by Goldcorp, now part of Newmont since 2019, located along a north-south vein corridor. This region displays characteristics of the epithermal system, including alteration and veining, similar to the high-priority Sinter Hill system located about 12km to the east (Figure 8).

Additionally, Andean has expanded its tenure to the east, within the same geological package that underlies the broader Cerro Bayo project. This new area is near the Sinter Hill and Meseta systems and will be evaluated for potential extensions of these systems.

Initial work will include scout mapping, geochemical sampling, and hyperspectral analysis to further assess the area's geological potential.

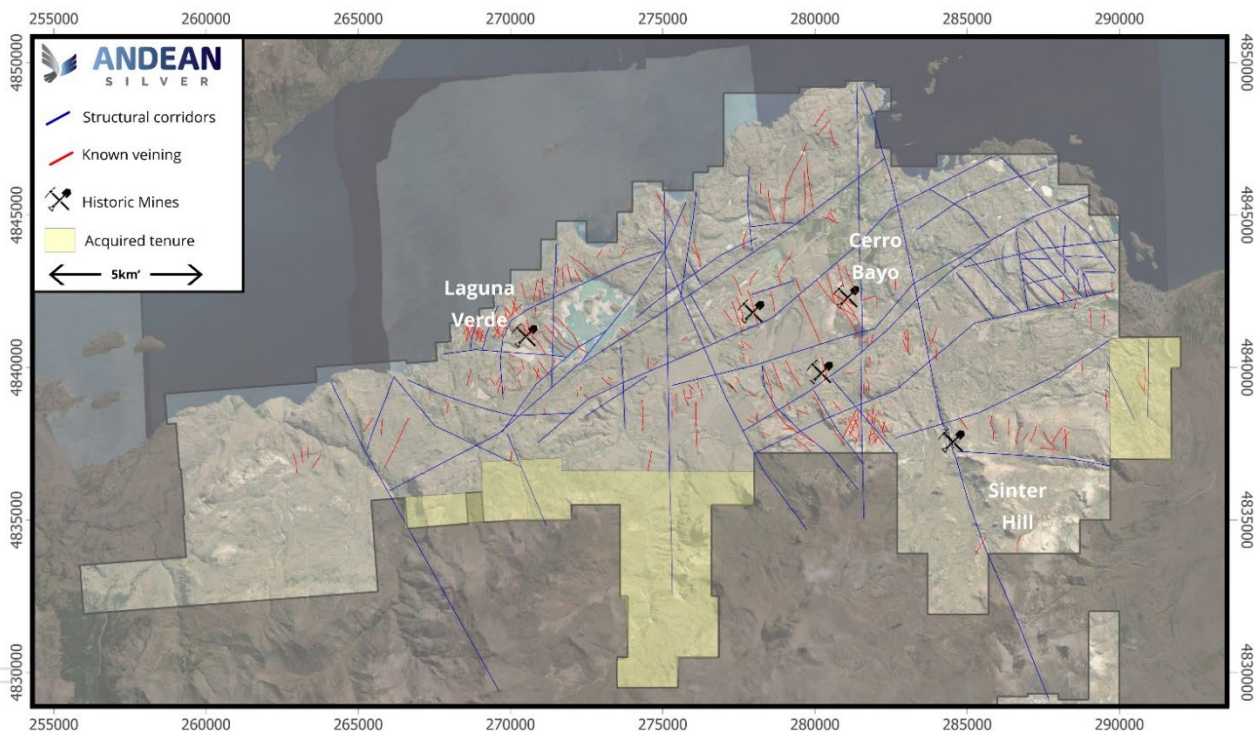


Figure 8. Newly acquired tenure (in yellow) that will be investigated to assess whether there is a continuation of major structural corridors at Cerro Bayo.

Geophysics Program and Regional Exploration

The Company has commenced the largest geophysics campaign ever conducted at Cerro Bayo and the first in over 15 years, using modern techniques that will aim to identify drilling targets within a ~10km x 5km corridor down to a depth of 300m.

The 200+ line km Controlled Source Audio Magnetotellurics (CSAMT) geophysics program (Figure 9) that commenced during the half-year will cover key structural corridors from the Cerro Bayo district to the Sinter Hill system, aimed at confirming the depth and strike extensions of known resources such as those at Raul and Marcela, as well as refining structural controls around high-potential zones such as Droughtmaster and Mallines.

In Q2 CY2025, the geophysics data will be integrated with mapping and surface geochemistry to identify resistive structures up to 300m deep, potentially expanding the property's Epithermal Low-Sulphidation Ag-Au package.

SR Geophysics is expected to complete the program in Q2 CY2025. These results will feed into Andean's multi-year exploration strategy.

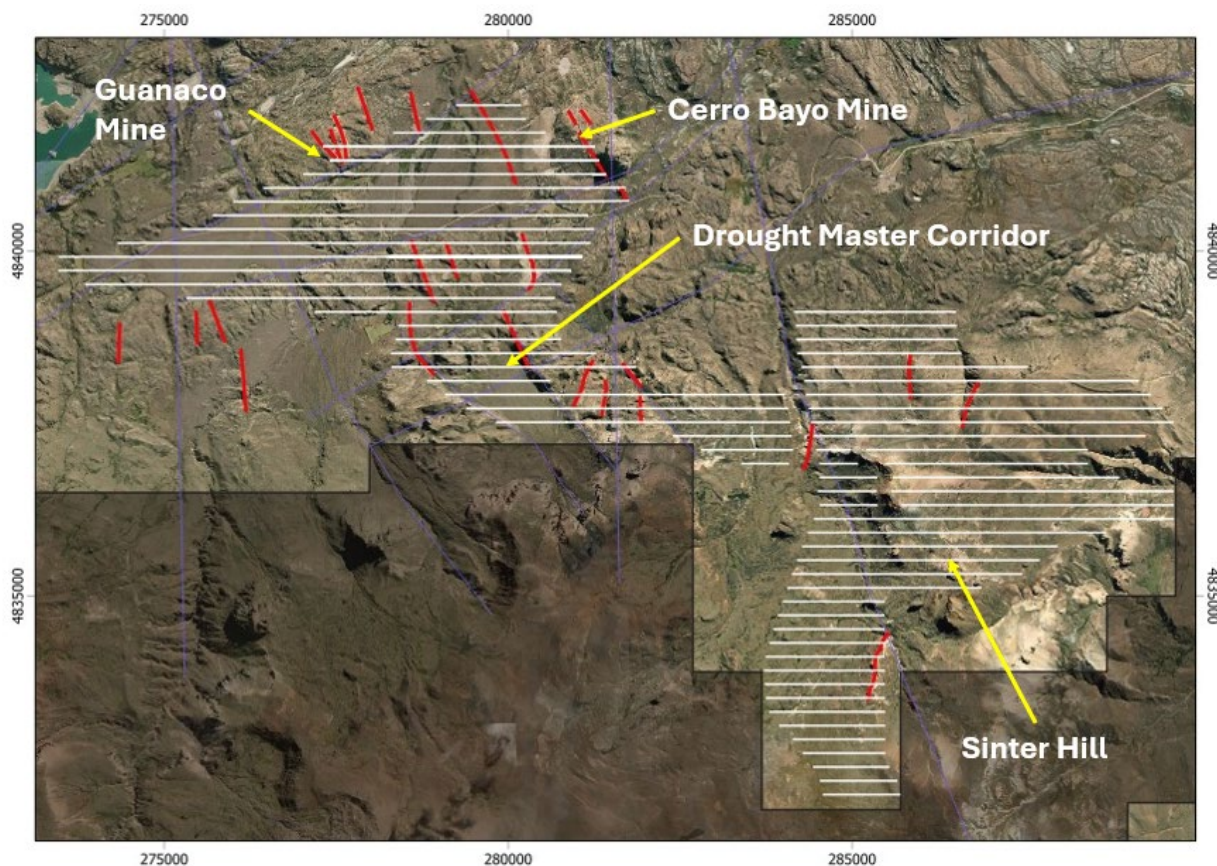


Figure 9. Planned lines (white) of the Geophysical program from Cerro Bayo to Sinter Hill. Red lines represent interpreted structures.

Twelve Month Strategy and News Flow

Andean is effectively applying “boots on the ground” geology work together with proven geophysical techniques to aggressively explore over 330km² of granted tenure to generate a robust project pipeline that has seen multiple major discoveries over the previous 6 months.

Andean has set itself an aggressive schedule to support a phase of strong growth over the coming year. The Andean exploration strategy for the 12-month period will be a combination of:

- Completion of the geophysical campaign focused on defining high priority drill targets across the Pampa La Perra, Droughtmaster and Sinter Hill areas to generate a multi-year, district scale ongoing program;

- Drilling brownfields targets for growth of existing resources in Laguna Verde and Cerro Bayo project areas;
- Cerro Bayo project generation through regional boots-on-ground mapping and historic data reinterpretation;
- Drilling greenfields projects from target generation and geophysical campaigns; and
- Commencement of regional exploration campaigns (mapping, sampling, target generation) on Cerro Diablo and Los Domos.

A drilling fleet of 3 rigs has been deployed onsite for the 2025 period, as well as a highly experienced and dedicated geological team to support the work.

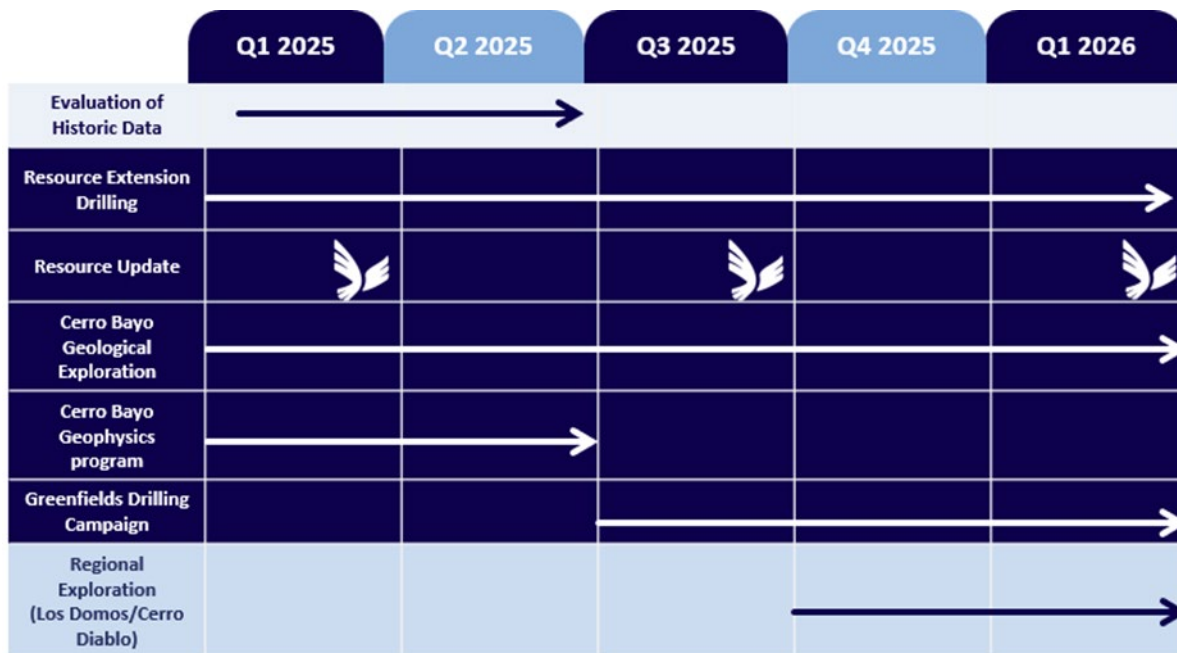


Table 2. News flow over coming 12 months.

The above timetable is indicative only and is subject to change.

Australian Projects

Western Australia Projects

Further field work at the Hillside Project in the Pilbara was conducted in the half-year, which aimed to further define the soil anomalism discovered during Q4 2023. No results have yet been received.

New South Wales Projects

The remaining tenure in New South Wales (Araluen project) continued to be assessed for future project work. No work was conducted during the half year.

Compliance Statements

The information in this announcement that relates to previously announced Exploration Results has been extracted from Andean Silver's ASX releases as noted in the text and End Notes.

The Mineral Resource Estimate for the Cerro Bayo Project referred to in this announcement was first reported in the Company's ASX release dated 16 September 2024, titled "Clarification - Resource soars more than 80% to 91Moz AgEq".

Andean Silver confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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. Silver equivalent was calculated based on the formula $\text{AgEq(g/t)} = \text{Ag(g/t)} + (83 \times \text{Au(g/t)})$. Gold equivalent was calculated based on the formula $\text{AuEq(g/t)} = \text{Au(g/t)} + (\text{Ag(g/t)} / 83)$. Metallurgical recoveries for gold and silver are closely linked and are typically 90-93% for 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.

End Notes

1. Coeur/Mandalay production reconciliations from 2002-2017 total ~7.3Mt @ 201g/t Ag, 2.9g/t Au for 47Moz Ag and 678koz Au (~100Moz AgEq @ 83:1 ratio).
2. For details on regional resources in the Aysen Region of Southern Chile:
 - (a) at Cerro Negro, refer to Newmont's ASX release dated 22/02/2024 and titled "PR as issued – 2023 Reserves and Resources";
 - (b) at Cerro Moro, refer to Pan American Silver Corp's TSX release dated 11/09/2024 and titled "Pan American Silver Reports Mineral Reserves and Mineral Resources as at June 30, 2024";
 - (c) at San Jose, refer to Hochschild's 2023 Annual Report;
 - (d) at Cerro Vanguardia, refer to AngloGold Ashanti's 2023 Mineral Resource and Mineral Reserve Report;
 - (e) at Manatíal Espejo, refer to Pan American Silver Corp's TSX release dated 11/09/2024 and titled "Pan American Silver Reports Mineral Reserves and Mineral Resources as at June 30, 2024";
 - (f) at the Tranquilo Project, refer Patagonia Gold's website - <https://patagoniagold.com/operations/mineral-resources-and-mineral-reserves/>;
 - (g) at Cerro Leon, refer to Unico's ASX release dated 18/05/2023 and titled Cerro Leon Silver Resource Grows 84% to 92Moz".
3. Refer to ASL's ASX announcement dated 5 August 2024 and titled "Andean rapidly expanding its district scale growth projects beyond the current Resource with assays up to 9,929g/t AgEq".
4. Refer to ASL's ASX announcement dated 3 December 2024 and titled "Andean to unlock regional exploration through extensive Geophysics and Target Generation Campaign".
5. Refer to ASL's ASX announcement dated 16 September 2024 and titled "Clarification - Resource soars more than 80% to 91Moz AgEq at an exceptional grade of 341g/t AgEq".

6. Refer to ASL's ASX announcement dated 1 December 2023 and titled "Mitre to acquire large silver-gold project with significant Resource and processing plant in Chile", and its ASX announcement dated 12 March 2024 and titled "Clarification – Resource doubles to 50Moz AgEq and poised for more rapid growth".
7. Refer to ASL's ASX announcement dated 31 October 2024 and titled "Spectacular high-grade hits continue to extend mineralisation outside Resource".
8. Refer to ASL's ASX announcement dated 17 December 2024 and titled "Cristal and Pegaso 7 discoveries continue to grow with broad outstanding results".
9. Refer to ASL's ASX announced dated 18 July 2024 and titled "Andean defines large area of high-grade silver mineralisation outside Resource".

Forward Looking Statements

Various statements in this announcement constitute statements relating to intentions, future acts and events. Such statements are generally classified as "forward looking statements" and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. Although the forward-looking statements contained in this release reflect management's current beliefs based upon information currently available to it and based upon what management believes to be reasonable assumptions, such forward looking statements are estimates for discussion purposes only and should not be relied upon. Andean's performance may be influenced by a number of factors which are outside the control of the Company, its directors, staff or contractors. The Company does not make any representations and provides no warranties concerning the accuracy of the projections and disclaims any obligation to update or revise any forward-looking statements based on new information, future events or otherwise, except to the extent required by applicable laws.

Current Mineral Resource Estimate

The latest Mineral Resource Estimate as at 1 September 2024, which was released on 16 September 2024, is presented in the table below:

Area	Indicated					AgEq (g/t)	AgEq (Moz)	AuEq (g/t)	AuEq (koz)
	Tonnes (Mt)	Ag Grade (g/t)	Au Grade (g/t)	Silver (Moz)	Gold (koz)				
LVMC - UG	0.4	532	4.9	6.5	60	939	11.5	11.3	139
	0.4	532	4.9	6.5	60	939	11.5		

Area	Inferred					AgEq (g/t)	AgEq (Moz)	AuEq (g/t)	AuEq (koz)
	Tonnes (Mt)	Ag Grade (g/t)	Au Grade (g/t)	Silver (Moz)	Gold (koz)				
LVMC - UG	2.9	171	2.8	16.1	265	405	38.1	4.9	459
LVMC - OP	2.9	38	1.6	3.6	148	171	15.8	2.1	191
CBMC - UG	2.0	190	2.4	12.4	155	387	25.2	4.7	304
	7.8	127	2.2	32.1	568	313	79.1	3.8	954

Total Indicated and Inferred	Tonnes (Mt)	Ag Grade (g/t)	Au Grade (g/t)	Silver (Moz)	Gold (koz)	AgEq (g/t)	AgEq (Moz)	AuEq (g/t)	AuEq (koz)
	8.2	146	2.4	38.6	628	342	90.7	4.1	1,093

Notes:

- Mineral Resources that are not Ore Reserves have not demonstrated economic viability and an Inferred Mineral Resource carries a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
- LVMC means Laguna Verde Mine Complex; CBMC means Cerro Bayo Mine Complex; UG means underground and OP means open pit.
- Open pit resources are reported to a cut-off grade of 65g/t AgEq.
- 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.
- Taitao Underground Mineral Resource Estimates are reported at a cut-off of 165g/t AgEq beneath the open pit. LVMC and CBMC Resources external to Taitao are reported at a cut-off of 200g/t AgEq.
- Silver equivalents are calculated using the equation $AgEq = Ag(g/t) + (83 \times Au(g/t))$ 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 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.
- Bulk Density of 2.63g/cm³ has been applied to veins and 2.57g/cm³ has been applied to stockwork and waste domains.
- 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.
- Numbers may not add due to rounding.

CORPORATE

Cash and cash equivalents as at 31 December 2024 were \$25,967,403 (30 June 2024: \$9,924,422).

The loss after income tax incurred by the Group for the six months ended 31 December 2024 was \$7,848,038 (31 December 2023: \$2,915,838). The loss included the following major items:

- Employee benefit expense of \$0.64 million (31 December 2023: \$0.48 million)
- Impairment expense of \$1.48 million (31 December 2023: \$1.25 million) (refer to Note 4)
- Share-based payment expense of \$1.94 million (31 December 2023: \$0.38 million)
- Care and maintenance costs of \$0.50 million (31 December 2023: Nil)

As at 31 December 2024, the Group's total assets were \$58,865,452 (30 June 2024: \$37,441,153).

The Directors' view is that the Company and the Group are operating as a going concern.

Board and Management Changes

On 1 October 2024, highly experienced mining executive David Southam was appointed as Non-Executive Chairman. Mr Southam has been a Non-Executive Director of Andean since 17 April 2024 and succeeded then Non-Executive Chairman Ray Shorrocks. Mr Shorrocks remains with the Company as a Non-Executive Director.

On 29 November 2024, the Company announced that it had appointed highly experienced resource finance specialist Matthew Allen as Chief Financial Officer ("CFO"), effective 9 December 2024. Mr Allen has a proven track record as CFO, including identifying opportunities, developing execution plans and implementing complex transactions that led to successful project development and funding in multiple commodities both domestically and internationally.

Significant Changes in State of Affairs

On 5 July 2024, the Company issued the following securities:

- 1,132,223 Tranche 2 Placement Shares following receipt of shareholder approvals on 28 June 2024;
- 2,250,000 performance rights (including the 1,500,000 performance rights granted to a Director in June 2024 and accounted for in FY24); and
- 783,333 fully paid ordinary shares from conversion of performance rights.

On 19 July 2024, the Company issued 1,000,000 fully paid ordinary shares on exercise of 1,000,000 unlisted options at \$0.20 each, resulting in proceeds of \$200,000.

On 6 September 2024, the Company issued 165,000 performance rights to an employee and 461,539 fully paid ordinary shares to a consultant in lieu of corporate advisory fees.

On 18 September 2024, the Company issued 1,300,000 fully paid ordinary shares on exercise of 1,300,000 unlisted options at \$0.40 each, resulting in proceeds of \$520,000.

On 26 September 2024, the Company completed a Placement of 23,809,524 fully paid ordinary shares at a price of \$1.05 per share, resulting in proceeds of \$25 million (before costs). The proceeds will be utilised for Resource conversion and exploration activities at the Cerro-Bayo Silver Project in Chile, general working capital (including transaction costs) and corporate costs.

In October 2024, a total of 15,650,000 fully paid ordinary shares were issued on conversion of performance rights and 650,000 ordinary shares were issued on exercise of unlisted options at \$0.20 each, resulting in proceeds of \$130,000.

On 24 December 2024, the Company issued a total of 6,650,000 performance rights to a director, consultants and employees (including key management employees ("KMP")). These performance rights are subject to the following vesting conditions being satisfied and expire on 31 December 2028.

- 5,650,000 performance rights in 3 tranches to a director, consultants and a KMP:

PR ID	Number	Vesting conditions										
PRX	2,075,000	Satisfaction of the Retention Condition and the Company's shares achieving a 20-Day VWAP of \$1.40 or greater prior to 30 June 2027.										
PRY	2,075,000	Subject to the satisfaction of both the Retention Condition and the Company announcing a JORC Code compliant total Mineral Resource Estimate at a grade of not less than 180g/t silver equivalent on or before 30 June 2027 as follows: <table><tr><th>Mineral Resources</th><th>% of Performance Rights eligible for vesting</th></tr><tr><td>Less than 130Moz</td><td>0%</td></tr><tr><td>Target: At 130Moz</td><td>50%</td></tr><tr><td>Between 130Moz & 150Moz</td><td>Pro-rata vesting</td></tr><tr><td>Stretch: 150Moz or more</td><td>100%</td></tr></table>	Mineral Resources	% of Performance Rights eligible for vesting	Less than 130Moz	0%	Target: At 130Moz	50%	Between 130Moz & 150Moz	Pro-rata vesting	Stretch: 150Moz or more	100%
Mineral Resources	% of Performance Rights eligible for vesting											
Less than 130Moz	0%											
Target: At 130Moz	50%											
Between 130Moz & 150Moz	Pro-rata vesting											
Stretch: 150Moz or more	100%											
PRZ	1,500,000	Subject to the satisfaction of both the Retention Condition and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2026.										

- 1,000,000 performance rights in 3 tranches to a KMP and an employee:

PR ID	Number	Vesting conditions										
PRAA	333,333	Satisfaction of the Retention Condition and the Company's shares achieving a 20-Day VWAP of \$1.60 or greater prior to 31 December 2027.										
PRAB	333,333	Subject to the satisfaction of both the Retention Condition and the Company announcing a JORC Code compliant total Mineral Resource Estimate at a grade of not less than 180g/t silver equivalent on or before 31 December 2027 as follows: <table><tr><th>Mineral Resources</th><th>% of Performance Rights eligible for vesting</th></tr><tr><td>Less than 130Moz</td><td>0%</td></tr><tr><td>Target: At 130Moz</td><td>50%</td></tr><tr><td>Between 130Moz & 150Moz</td><td>Pro-rata vesting</td></tr><tr><td>Stretch: 150Moz or more</td><td>100%</td></tr></table>	Mineral Resources	% of Performance Rights eligible for vesting	Less than 130Moz	0%	Target: At 130Moz	50%	Between 130Moz & 150Moz	Pro-rata vesting	Stretch: 150Moz or more	100%
Mineral Resources	% of Performance Rights eligible for vesting											
Less than 130Moz	0%											
Target: At 130Moz	50%											
Between 130Moz & 150Moz	Pro-rata vesting											
Stretch: 150Moz or more	100%											
PRAC	333,334	Subject to the satisfaction of both the Retention Condition and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2027.										

Where "Retention Condition" means the relevant Eligible Participant remaining an employee, officeholder or consultant of the Company (or a related body corporate) for a continuous period up to and including 30 June 2027.

Name Change to Andean Silver Limited

On 5 July 2024, following shareholder approval received at a General Meeting held on 28 June 2024, the Company changed its name from Mitre Mining Corporation Limited to Andean Silver Limited. The Company commenced trading under its new name and ASX code (ASX: **ASL**) on 11 July 2024.

The Company also unveiled its new branding including an updated website: www.andeansilver.com.

EVENTS AFTER THE REPORTING PERIOD

On 15 January 2025, the Company issued 2,000,000 ordinary fully paid ordinary shares from the conversion of 2,000,000 performance rights at nil value.

On 31 January 2025, the Company issued 330,000 performance rights to an employee subject to the following vesting conditions and expiring 31 December 2028:

PR ID	Number	Vesting conditions										
PRAA	110,000	Satisfaction of the Retention Condition and the Company's shares achieving a 20-Day VWAP of \$1.60 or greater prior to 31 December 2027.										
PRAB	110,000	Subject to the satisfaction of both the Retention Condition and the Company announcing a JORC Code compliant total Mineral Resource Estimate at a grade of not less than 180g/t silver equivalent on or before 31 December 2027 as follows: <table><tr><th>Mineral Resources</th><th>% of Performance Rights eligible for vesting</th></tr><tr><td>Less than 130Moz</td><td>0%</td></tr><tr><td>Target: At 130Moz</td><td>50%</td></tr><tr><td>Between 130Moz & 150Moz</td><td>Pro-rata vesting</td></tr><tr><td>Stretch: 150Moz or more</td><td>100%</td></tr></table>	Mineral Resources	% of Performance Rights eligible for vesting	Less than 130Moz	0%	Target: At 130Moz	50%	Between 130Moz & 150Moz	Pro-rata vesting	Stretch: 150Moz or more	100%
Mineral Resources	% of Performance Rights eligible for vesting											
Less than 130Moz	0%											
Target: At 130Moz	50%											
Between 130Moz & 150Moz	Pro-rata vesting											
Stretch: 150Moz or more	100%											
PRAC	110,000	Subject to the satisfaction of both the Retention Condition and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2027.										

The same day, the Company also issued 500,000 Restricted Stock Units ("Units") to an employee in Chile subject to the following vesting conditions and expiring on 31 December 2028. The Units were issued for cash consideration of \$10.

Class	Units	Vesting conditions										
A	166,666	Satisfaction of the Retention Condition and the Company's shares achieving a 20-Day VWAP of \$1.60 or greater prior to 31 December 2027.										
B	166,666	Subject to the satisfaction of both the Retention Condition and the Company announcing a JORC Code compliant total Mineral Resource Estimate at a grade of not less than 180g/t silver equivalent on or before 31 December 2027 as follows: <table><tr><th>Mineral Resources</th><th>% of Performance Rights eligible for vesting</th></tr><tr><td>Less than 130Moz</td><td>0%</td></tr><tr><td>Target: At 130Moz</td><td>50%</td></tr><tr><td>Between 130Moz & 150Moz</td><td>Pro-rata vesting</td></tr><tr><td>Stretch: 150Moz or more</td><td>100%</td></tr></table>	Mineral Resources	% of Performance Rights eligible for vesting	Less than 130Moz	0%	Target: At 130Moz	50%	Between 130Moz & 150Moz	Pro-rata vesting	Stretch: 150Moz or more	100%
Mineral Resources	% of Performance Rights eligible for vesting											
Less than 130Moz	0%											
Target: At 130Moz	50%											
Between 130Moz & 150Moz	Pro-rata vesting											
Stretch: 150Moz or more	100%											
C	166,667	Subject to the satisfaction of both the Retention Condition and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2027.										

DIRECTORS' REPORT



There were no other matters or circumstances that have arisen since the end of the half year which significantly affect or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

AUDIT INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) ("Corporations Act") is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act.

Signed in accordance with a resolution of the Board of Directors

A handwritten signature in black ink, appearing to be "DS" or similar initials.

David Southam

Non-Executive Chairman

11 March 2025
Perth, Western Australia,

RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Andean Silver Limited for the half year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO
Partner

Melbourne, Victoria
Dated: 11 March 2025

CONTENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income	21
Consolidated Statement of Financial Position	22
Consolidated Statement of Changes in Equity	23
Consolidated Statement of Cash Flows	24
Condensed Notes to the Consolidated Financial Statements	25

General Information

The Consolidated Financial Statements cover Andean Silver Limited as a consolidated entity consisting of Andean Silver Limited and the entities it controlled as the end of, or during, the half-year. The Consolidated Financial Statements are presented in Australian dollars, which is Andean Silver Limited's functional and presentational currency.

Andean Silver Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, 8 Richardson Street
West Perth WA 6005

A description of the nature of the Group's operations and its principal activities are included in the Director's Report which is not part of the Consolidated Financial Statements.

**Consolidated Statement of Profit or Loss
and Other Comprehensive Income
For the Half-Year Ended 31 December 2024**

	NOTES	31 December 2024	31 December 2023 As restated (Note 2)
		\$	\$
Other income		149,876	36,445
Interest income	4	582,761	14,934
Total income		732,637	51,379
Compliance and regulatory expense		(561,404)	(73,024)
Occupancy expense		(348,351)	(49,167)
Insurance expense		(53,347)	(33,583)
Employee benefits expense		(636,972)	(482,055)
Impairment expense	4	(1,478,815)	(1,251,581)
Depreciation and amortisation expense		(163,381)	(27,657)
Interest expense	4	(761,934)	(874)
Care and maintenance expense		(497,684)	-
Consultancy expense		(979,872)	(143,679)
Share-based payments expense		(1,943,206)	(380,943)
Foreign exchange losses		(180,953)	-
Exploration expense		-	(12,776)
Project evaluation costs		-	(426,839)
Other administration expense		(974,756)	(85,039)
Loss before income tax expense		(7,848,038)	(2,915,838)
Income tax expense		-	-
Loss after income tax expense for the half-year		(7,848,038)	(2,915,838)
<i>Other comprehensive income, net of tax</i>			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		309,775	-
Total comprehensive loss for the half-year		(7,538,263)	(2,915,838)
Basic and diluted (loss) per share (cents)	13	(5.79)	(6.23)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**Consolidated Statement of Financial Position
As at Half-Year Ended 31 December 2024**



	NOTES	31 Dec 2024 \$	30 Jun 2024 \$
Current Assets			
Cash and cash equivalents		25,967,403	9,924,422
Trade and other receivables		308,766	152,172
Total Current Assets		26,276,169	10,076,594
Non-Current Assets			
Other assets		62,434	85,034
Financial assets at fair value through profit or loss		25,000	-
Other receivables	5	6,430,425	5,888,230
Exploration and evaluation assets	6	25,406,410	21,055,493
Plant and equipment		599,272	260,032
Intangibles		65,742	75,770
Total Non-Current Assets		32,589,283	27,364,559
Total Assets		58,865,452	37,441,153
Current Liabilities			
Trade and other payables		2,352,981	1,060,931
Provisions		223,602	140,381
Borrowings		230,177	102,566
Deferred consideration		-	1,000,000
Total Current Liabilities		2,806,760	2,303,878
Non-Current Liabilities			
Provisions	7	19,926,450	18,463,960
Borrowings		196,086	10,062
Total Non-Current Liabilities		20,122,536	18,474,022
Total Liabilities		22,929,296	20,777,900
Net Assets		35,936,156	16,663,253
Equity			
Contributed equity	8	48,988,154	23,820,194
Reserves	9	7,330,833	5,377,852
Accumulated losses		(20,382,831)	(12,534,793)
Total Equity		35,936,156	16,663,253

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2024

	Contributed equity \$	Share- based payments reserves \$	Foreign currency translation reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2024	23,820,194	5,167,224	210,628	(12,534,793)	16,663,253
Loss after income tax expense	-	-	-	(7,848,038)	(7,848,038)
Other comprehensive income, net of tax	-	-	309,775	-	309,775
Total comprehensive income/ (loss) for the period	-	-	309,775	(7,848,038)	(7,538,263)
<i>Transactions with owners, recorded directly in equity</i>					
Shares issued (net of share issue costs)	24,867,960	-	-	-	24,867,960
Share-based payments	300,000	1,643,206	-	-	1,943,206
	25,167,960	1,643,206	-	-	26,811,166
Balance at 31 December 2024	48,988,154	6,810,430	520,403	(20,382,831)	35,936,156
Balance at 1 July 2023	5,871,854	746,512	-	(2,409,359)	4,209,007
Loss after income tax expense	-	-	-	(2,915,838)	(2,915,838)
Other comprehensive loss net of tax	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(2,915,838)	(2,915,838)
<i>Transactions with owners, recorded directly in equity</i>					
Shares issued (net of share issue costs)	2,153,431	-	-	-	2,153,431
Share-based payments	-	380,943	-	-	380,943
	2,153,431	380,943	-	-	2,534,374
Balance at 31 December 2023	8,025,285	1,127,455	-	(5,325,197)	3,827,543

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2024



	NOTES	31 Dec 2024	31 Dec 2023
		\$	\$
Cash Flows from Operating Activities			
Other income received		98,728	-
Interest received		269,911	13,796
Interest paid		(578)	(874)
Payments to suppliers and employees		(3,949,642)	(896,671)
Due diligence and project evaluation costs		-	(365,696)
Net cash used in operating activities		(3,581,581)	(1,249,445)
Cash Flows from Investing Activities			
Payments for exploration and evaluation assets		(4,359,177)	(250,291)
Payments for acquisition of asset		(750,000)	(700,000)
Refund from/ (payment for) security deposit for Australian tenement		2,600	(25,000)
Purchase of plant and equipment		(63,694)	(7,690)
Proceeds from disposal of plant and equipment		3,000	-
Net cash used in investing activities		(5,167,271)	(982,981)
Cash Flows from Financing Activities			
Proceeds from issuance of shares		25,388,500	2,287,667
Proceeds from exercise of options		850,000	-
Payments for share issue costs		(1,370,540)	(124,120)
Repayment of borrowings		(76,127)	(4,817)
Net cash provided by financing activities		24,791,833	2,158,730
Net increase/ (decrease) in cash and cash equivalents		16,042,981	(73,696)
Cash and cash equivalents at the beginning of the half-year		9,924,422	2,678,831
Cash and cash equivalents at end of the half-year		25,967,403	2,605,135

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Basis of Preparation and Material Accounting Policies

Basis of Preparation

These general-purpose consolidated financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth) ("Corporations Act") as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34: *Interim Financial Reporting*.

These general-purpose consolidated financial statements do not include all the notes of the type normally included in an annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by Andean Silver Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Going Concern

The directors believe it is appropriate to prepare the consolidated financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group incurred a loss after income tax amounting to \$7,848,038 for the half-year ended 31 December 2024 and had net cash used in operating and investing activities of \$3,581,581 and \$5,167,271, respectively.

The directors are satisfied that there is reasonable basis to conclude that it is appropriate to prepare the interim consolidated financial statements on a going concern basis after considering the following:

- As at 31 December 2024, the Group's current assets exceeded its current liabilities by \$23,469,409 which included cash and cash equivalents of \$25,967,403;
- Management has prepared a cash flow forecast for the next 12 months from date of signing this report, which indicates that the Group will generate sufficient cash flows to pay obligations as they fall due, while meeting its objective of rapidly exploring its projects as forecasted.
- The Group has no capital commitments and minimal operational commitments, which provide management the ability to continue the exploration activities as funds are available; and
- Management is currently contemplating to raise further capital through ASX, as well as assessing other funding transactions for the delivery of exploration projects.

Critical accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the report amounts in the financial statements. Management continually evaluates its judgments and estimation in relation to assets, liabilities, contingent liabilities, revenue and expenses.

The areas involving a higher degree of judgment of complexity, or where assumptions or estimates are significant to the interim consolidated financial statements, are the same as those disclosed in the Group's last annual financial statements for the year ended 30 June 2024.

New or Amended Accounting Standards and Interpretations Adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations that have recently been issued or amended that are mandatory for the current period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. Comparatives

Where necessary, comparatives have been re-classified for consistency with current reporting period disclosures.

The following items (being only those line items affected) have been re-classified within the Consolidated Statement of Profit or Loss and Other Comprehensive Income:

	31 December 2023		
	As previously	Re-	As restated
	stated	classification	
	\$	\$	\$
Consultancy expense	390,576	(246,897)	143,679
Other administration expense	219,085	(134,046)	85,039
Share-based payment expense	-	380,943	380,943

3. Operating Segments

Identification of reportable operating segments

The consolidated entity is organised into two operating segments based on the group's exploration and evaluation project geographic locations. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing the performance and in determining the allocation of resources. There is no aggregation of operating segments.

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM. The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

The Group is organised into two operating segments based on the Group's exploration and evaluation project geographic locations as follows:

- (a) Chile (Gold and Silver) – *Cerro Bayo Project (including the Los Domos and Cerro Diablo regional projects)*
- (b) Australia (Lithium and rare earth minerals) – *Pilbara Project (WA), Mt Alexander Project (including the View Hill Project) (WA) and Araluen Project (NSW)*

Unallocated items comprise corporate balances and transaction which includes those items supporting the business during the reporting period, and items that cannot be directly attributable to each segment.

3. Operating Segments (continued)

Operating segment information:

	Chile \$	Australia \$	Corporate/ Unallocated \$	Total \$
31 December 2024				
Other income	391,987	33,000	307,650	732,637
Total income	391,987	33,000	307,650	732,637
Impairment expense	(961,502)	(517,313)	-	(1,478,815)
Interest expense	(761,356)	-	(578)	(761,934)
Share-based payment expense	-	-	(1,943,206)	(1,943,206)
Other expenses	(2,363,633)	(8,000)	(2,025,087)	(4,396,720)
Total expenses	(4,086,491)	(525,313)	(3,968,871)	(8,580,675)
Loss before income tax expense	(3,694,504)	(492,313)	(3,661,221)	(7,848,038)
Income tax expense				-
Loss after income tax expense				(7,848,038)
31 December 2023				
Other income	-	-	51,379	51,379
Total income	-	-	51,379	51,379
Impairment expense	-	(1,251,581)	-	(1,251,581)
Interest expense	-	-	(874)	(874)
Share-based payment expense	-	-	(380,943)	(380,943)
Other expenses	-	-	(1,333,819)	(1,333,819)
Total expenses	-	(1,251,581)	(1,715,636)	(2,967,217)
Loss before income tax expense	-	(1,251,581)	(1,664,257)	(2,915,838)
Income tax expense				-
Loss after income tax expense				(2,915,838)
31 December 2024				
Segment assets	33,107,192	109,576	25,648,684	58,865,452
Segment liabilities	(22,340,327)	-	(588,969)	(22,929,296)
30 June 2024				
Segment assets	27,453,415	569,658	9,418,080	37,441,153
Segment liabilities	(19,496,336)	-	(1,281,564)	(20,777,900)

4. Loss before income tax

Loss before income tax included the following income/ expenses:

		31 Dec 2024	31 Dec 2023
		\$	\$
Interest income on cash deposits		269,911	14,934
Finance income	5	312,850	-
Total interest income		582,761	14,934
Impairment on exploration and evaluation expenditure		517,313	1,251,581
Expected credit loss on VAT receivables		961,502	-
Total impairment expense		1,478,815	1,251,581
Interest expense – hire purchase		578	874
Interest expense – reclamation liability		761,356	-
Total interest expense		761,934	874

5. Other receivables

		31 Dec 2024	30 June 2024
		\$	\$
At the beginning of the year		5,888,230	-
Additions through asset acquisition		-	5,720,840
Accretion of interest	4	312,850	190,314
Translation difference		229,345	(22,924)
At end of the period/year		6,430,425	5,888,230

In accordance with the acquisition agreement, Mandalay Resources Corporation ("Mandalay"), a company listed on the Toronto Stock Exchange (TSX: MND) has agreed to contribute approximately 50% of the closure cost based on the closure plan approved by the Chilean National Service of Geology and Mining on 21 February 2024. The closure plan activities are expected to occur between 2032 to 2038.

The Group has recognised a receivable from Mandalay in relation to this reimbursement right measured at fair value through profit or loss.

As at 31 December 2024, the present value of the reimbursement right from Mandalay, calculated using a discount rate of 9.4% and inflation rate of 4.5% amounted to \$6,430,425.

6. Exploration and evaluation expenditure

	31 Dec 2024	30 June 2024
	\$	\$
At the beginning of the period/year	21,055,493	1,451,818
Exploration and evaluation during the period/year	4,029,047	2,043,487
Additions through asset acquisition	-	18,718,681
Translation difference	839,183	94,120
Total	25,923,723	22,308,106
Less: impairment/ amount written off	(517,313)	(1,252,613)
At the end of the period/year	25,406,410	21,055,493

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas. During the period, a review was undertaken for each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. In assessing the carrying value of all the Group's project, management determined that impairment indicators exist for capitalised exploration and evaluation expenditure in relation to the Araluen and Pilbara Projects during the period. As a result, the carrying amounts of these projects for the period ended 31 December 2024 which amounted to \$517,313 have been fully impaired (30 June 2024: \$1,252,613 of exploration costs relating to the Bateman Project in NSW was written off).

7. Provisions (non-current)

	31 Dec 2024	30 June 2024
	\$	\$
At the beginning of the period/year	18,463,960	-
Additions through asset acquisition	-	18,140,707
Unwinding of discount	4 761,356	390,477
Translation difference	701,134	(67,224)
At the end of the period/year	19,926,450	18,463,960

As part of the acquisition of the Cerro Bayo Project in prior year, the Group recognised the existing provision for rehabilitation in Compania Minera Cerro Bayo SpA based on the updated Closure Plan approved by the Chilean National Service of Geology and Mining (Sernageomin) on 21 February 2024. The closure plan cost is in the amount of 369,231 UF (Chilean Unidades de Formento), inclusive of VAT, as determined by Sernageomin. The closure plan activities are expected to occur between 2032 to 2038.

As at 31 December 2024, the present value of the provision for rehabilitation, calculated using a discount rate of 5.98% and inflation rate of 4.5% amounted to \$19,926,450.

8. Contributed equity

(a) Ordinary shares

	31 Dec 2024	30 June 2024
	No. of shares	No. of shares
Issued and fully paid	156,773,755	111,987,136

(b) Movement in ordinary shares on issue

		31 Dec 2024	
		No. of shares	\$
Balance at beginning of the period		111,987,136	23,820,194
Placement	5/07/2024	1,132,223	509,500
Share application monies		-	(121,000)
Conversion of performance rights	5/07/2024	783,333	-
Exercise of options	19/07/2024	1,000,000	200,000
Shares issued in lieu of consultancy fees	6/09/2024	461,539	300,000
Exercise of options	18/09/2024	1,300,000	520,000
Placement	26/09/2024	23,809,524	25,000,000
Conversion of performance rights	9/10/2024	15,250,000	-
Conversion of performance rights	18/10/2024	400,000	-
Exercise of options	18/10/2024	500,000	100,000
Exercise of options	22/10/2024	150,000	30,000
Less: share issue costs during the period		-	(1,370,540)
Balance at the end of the period		156,773,755	48,988,154

		30 June 2024	
		No. of shares	\$
Balance at beginning of the year		45,350,100	5,871,854
Placement	8/12/2023	11,337,525	2,267,505
Placement	8/02/2024	30,162,475	6,032,495
Consideration shares	19/02/2024	2,314,814	500,000
Placements	9/05/2024	22,222,222	10,000,000

8. Contributed equity (continued)

		30 June 2024	
		No. of shares	\$
Conversion of performance rights	16/05/2024	100,000	-
Exercise of options	21/05/2024	250,000	100,000
Exercise of options	26/09/2024	250,000	50,000
Share application monies		-	121,000
Less: share issue costs during the year		-	(1,122,660)
Balance at the end of year		111,987,136	23,820,194

9. Reserves

		31 Dec 2024	30 June 2024
		\$	\$
Share-based payment reserves	(i)	6,810,430	5,167,224
Foreign currency translation reserves	(ii)	520,403	210,628
		7,330,833	5,377,852

(i) *Share-based payment reserves*

Movements in share-based payment reserves are as follows:

		31 Dec 2024	30 June 2024
		\$	\$
<i>Unlisted options</i>			
Balance at beginning of period/year		830,409	719,270
Recognised as share-issue costs		-	111,139
		830,409	830,409
<i>Performance rights</i>			
Balance at beginning of period/year		4,336,815	27,242
Recognised as share-based payment expense		1,643,206	4,309,573
		5,980,021	4,336,815
		6,810,430	5,167,224

9. Reserves (continued)

(ii) Foreign currency translation reserves

Movements in foreign currency translation reserves are as follows:

	31 Dec 2024	30 June 2024
	\$	\$
Balance at beginning of the period/year	210,628	-
Foreign currency translation	309,775	210,628
Balance at end of the period/year	520,403	210,628

10. Share-based payments

(a) Unlisted options

No unlisted options were issued during the half-year.

The following table illustrates that number and weighted average exercise prices (WAEP) of, and movements in, shares options during 31 December 2024 and 31 December 2023:

	31 December 2024		31 December 2023	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the period	7,500,000	\$0.30	-	-
Granted during the period	-	-	-	-
Exercised during the period	(2,950,000)	\$0.29	-	-
Balance at end of the period	4,550,000	\$0.35	-	-
Vested and exercisable at the end of the financial period	4,550,000	\$0.35	-	-

(b) Performance rights

Set out below is a summary of the performance rights over ordinary shares granted under the ESIP for nil cash consideration and which have nil exercise prices.

	31 Dec 2024	31 Dec 2023
	No. of rights	No. of rights
Balance at beginning of the period	31,125,000	12,450,000
Granted during the period	7,565,000	2,150,000
Exercised during the period	(16,433,333)	-
Balance at end of the period	22,256,667	14,600,000
Vested and exercisable at the end of the period	2,250,000	-

10. Share-based payments (continued)

(b) Performance rights (continued)

The following table illustrate the number of, and movements in, performance rights for the half-year 31 December 2024:

PR ID #	Grant date	Expiry date	1 July 2024	Granted	Exercised	Lapsed/ forfeited/ others	Balance at 31 Dec 24	Vested
PRA	23-03-23	23-03-28	500,000	-	(500,000)	-	-	-
PRB	23-03-23	23-03-28	250,000	-	(250,000)	-	-	-
PRC	23-03-23	23-03-28	250,000	-	-	-	250,000	250,000
PRE	01-06-23	01-06-28	33,333	-	(33,333)	-	-	-
PRF	01-06-23	01-06-28	33,333	-	-	-	33,333	-
PRG	01-06-23	01-06-28	33,334	-	-	-	33,334	-
PRI	21-06-23	21-06-28	3,750,000	-	(3,750,000)	-	-	-
PRI	21-06-23	21-06-28	5,500,000	-	(5,500,000)	-	-	-
PRJ	21-06-23	21-06-28	2,000,000	-	-	-	2,000,000	2,000,000
PRI	31-08-23	21-06-28	400,000	-	(400,000)	-	-	-
PRK	27-10-23	30-07-27	1,725,000	-	-	-	1,725,000	-
PRL	19-02-24	19-02-29	1,533,333	-	-	-	1,533,333	-
PRM	19-02-24	19-02-29	1,533,333	-	-	-	1,533,333	-
PRN	19-02-24	19-02-29	1,583,334	-	-	-	1,583,334	-
PRO	19-02-24	19-02-29	3,000,000	-	(3,000,000)	-	-	-
PRP	19-02-24	19-02-29	3,000,000	-	(3,000,000)	-	-	-
PRQ	19-02-24	19-02-29	3,000,000	-	-	-	3,000,000	-
PRR	24-04-24	30-04-29	500,000	-	-	-	500,000	-
PRS	24-04-24	30-04-29	500,000	-	-	-	500,000	-
PRT	24-04-24	30-04-29	500,000	-	-	-	500,000	-
PRR	28-06-24	30-04-29	500,000	-	-	-	500,000	-
PRU	28-06-24	30-04-29	1,000,000	-	-	-	1,000,000	-
PRV	05-07-24	01-04-29	-	750,000	-	-	750,000	-
PRW	06-09-24	01-09-29	-	165,000	-	-	165,000	-
PRX	24-12-24	31-12-28	-	2,075,000	-	-	2,075,000	-
PRY	24-12-24	31-12-28	-	2,075,000	-	-	2,075,000	-
PRZ	24-12-24	31-12-28	-	1,500,000	-	-	1,500,000	-
PRAA	24-12-24	31-12-28	-	333,333	-	-	333,333	-
PRAB	24-12-24	31-12-28	-	333,333	-	-	333,333	-
PRAC	24-12-24	31-12-28	-	333,334	-	-	333,334	-
Total			31,125,000	7,565,000	(16,433,333)	-	22,256,667	2,250,000

10. Share-based payments (continued)

(b) Performance rights (continued)

Valuation of performance rights

Performance rights are issued for nil consideration and the terms of the performance rights is determined by the Board at its absolute discretion. Performance rights are subject to lapsing if performance conditions are not met by relevant measurement date or expiry date as specified or if employment is terminated. The fair value of performance rights has been calculated at the grant date and is allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of fair value of the rights allocated to this reporting period. During the period, the Company granted a total of 7,565,000 performance rights (31 December 2023: 2,150,000) to directors, employees and consultants with various vesting conditions. Details of the performance rights granted during the period are as follows:

PR ID #	Number of performance rights	Grant date	Expiry date	Fair value of performance rights at grant date \$	Total fair value \$	Value of performance rights expensed 31 Dec 24 \$
PRV	750,000	05-07-24	01-04-29	0.81	607,500	109,241
PRW	165,000	06-09-24	01-09-29	0.94	155,100	25,708
PRX	2,075,000	24-12-24	31-12-28	0.73	1,518,283	32,069
PRY	2,075,000	24-12-24	31-12-28	0.96	1,999,000	41,581
PRZ	1,500,000	24-12-24	31-12-28	0.98	1,470,000	42,323
PRAA	333,333	24-12-24	31-12-28	0.62	207,300	4,154
PRAB	333,333	24-12-24	31-12-28	1.05	351,000	6,988
PRAC	333,334	24-12-24	31-12-28	1.05	351,001	6,988
					6,659,184	269,052

During the period, total amount vested for those performance rights granted in prior periods amounted to \$1,374,154.

Set out below are the vesting conditions for each category of performance rights granted during the period:

PR ID	Number	Vesting conditions
PRV	750,000	Upon remaining employed or engaged by the Company (or a related body corporate) for a continuous period up to and including 1 April 2027.
PRW	165,000	Upon implementing financial reporting process for the Company's Chilean subsidiaries to the satisfaction of the Board by 1 September 2025 and remaining employed or engaged by the Company (or related body corporate) for a continuous period up to and including 1 September 2026.

10. Share-based payments (continued)

(b) Performance rights (continued)

PR ID	Number	Vesting conditions										
PRX	2,075,000	Satisfaction of the Retention Condition and the Company's shares achieving a 20-Day VWAP of \$1.40 or greater prior to 30 June 2027.										
PRY	2,075,000	Subject to the satisfaction of both the Retention Condition and the Company announcing a JORC Code compliant total Mineral Resource Estimate at a grade of not less than 180g/t silver equivalent on or before 30 June 2027 as follows: <table><tr><th>Mineral Resources</th><th>% of Performance Rights eligible for vesting</th></tr><tr><td>Less than 130Moz</td><td>0%</td></tr><tr><td>Target: At 130Moz</td><td>50%</td></tr><tr><td>Between 130Moz & 150Moz</td><td>Pro-rata vesting</td></tr><tr><td>Stretch: 150Moz or more</td><td>100%</td></tr></table>	Mineral Resources	% of Performance Rights eligible for vesting	Less than 130Moz	0%	Target: At 130Moz	50%	Between 130Moz & 150Moz	Pro-rata vesting	Stretch: 150Moz or more	100%
Mineral Resources	% of Performance Rights eligible for vesting											
Less than 130Moz	0%											
Target: At 130Moz	50%											
Between 130Moz & 150Moz	Pro-rata vesting											
Stretch: 150Moz or more	100%											
PRZ	1,500,000	Subject to the satisfaction of both the Retention Condition and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2026.										
PRAA	333,333	Satisfaction of the Retention Condition and the Company's shares achieving a 20-Day VWAP of \$1.60 or greater prior to 31 December 2027.										
PRAB	333,333	Subject to the satisfaction of both the Retention Condition and the Company announcing a JORC Code compliant total Mineral Resource Estimate at a grade of not less than 180g/t silver equivalent on or before 31 December 2027 as follows: <table><tr><th>Mineral Resources</th><th>% of Performance Rights eligible for vesting</th></tr><tr><td>Less than 130Moz</td><td>0%</td></tr><tr><td>Target: At 130Moz</td><td>50%</td></tr><tr><td>Between 130Moz & 150Moz</td><td>Pro-rata vesting</td></tr><tr><td>Stretch: 150Moz or more</td><td>100%</td></tr></table>	Mineral Resources	% of Performance Rights eligible for vesting	Less than 130Moz	0%	Target: At 130Moz	50%	Between 130Moz & 150Moz	Pro-rata vesting	Stretch: 150Moz or more	100%
Mineral Resources	% of Performance Rights eligible for vesting											
Less than 130Moz	0%											
Target: At 130Moz	50%											
Between 130Moz & 150Moz	Pro-rata vesting											
Stretch: 150Moz or more	100%											
PRAC	333,334	Subject to the satisfaction of both the Retention Condition and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2027.										

Where "Retention Condition" means the relevant Eligible Participant remaining an employee, officeholder or consultant of the Company (or a related body corporate) for a continuous period up to and including 30 June 2027.

(c) Share issued in lieu of consultancy fees

In September 2024, the Company issued 461,539 shares to a consultant as a consideration for corporate services to the value of \$300,000 and was recognised as a share-based payment expense. The number of shares was calculated based on a deemed issue price of \$0.65 each and these shares are subject to 12 month's voluntary escrow.

11. Commitments

(a) Capital commitments

As at 31 December 2024, the Group has no capital commitments (30 June 2024: Nil).

(b) Mineral tenements lease commitments

Australia

The Group pays minimal annual licence and lease fees related to its Australian tenements. These payments are discretionary; however, the Group intends to make these payments and maintain the licenses in good standing.

Chile

There are no minimum expenditure commitments on any of the mining claims in Chile. The Group pays annual mining claim fees due at 31 March of each year.

12. Contingencies

There are no material contingent assets or liabilities as at 31 December 2024 (30 June 2024: Nil).

13. Basic and diluted earnings per share

	31 Dec 2024	31 Dec 2023 As restated
	\$	\$
Basic and diluted loss per share	<u>(5.79)</u>	<u>(6.23)</u>
	\$	\$
Loss after income tax attributable to the owners of the Company	<u>(7,848,038)</u>	<u>(2,915,838)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	<u>135,622,040</u>	<u>46,835,482</u>

Options and performance rights on issue at reporting date could potentially dilute loss per share in the future. The effect of these options and performance rights are anti-dilutive and as such have been excluded in the calculation of loss per share of the Company for the periods ended 31 December 2024 and 2023.

14. Events after the reporting period

On 15 January 2025, the Company issued 2,000,000 ordinary fully paid ordinary shares from the conversion of 2,000,000 performance rights at nil value.

14. Events after the reporting period (continued)

On 31 January 2025, the Company issued 330,000 performance rights to an employee subject to the following vesting conditions and expiring 31 December 2028:

PR ID	Number	Vesting conditions										
PRAA	110,000	Satisfaction of the Retention Condition and the Company's shares achieving a 20-Day VWAP of \$1.60 or greater prior to 31 December 2027.										
PRAB	110,000	Subject to the satisfaction of both the Retention Condition and the Company announcing a JORC Code compliant total Mineral Resource Estimate at a grade of not less than 180g/t silver equivalent on or before 31 December 2027 as follows: <table><tr><th>Mineral Resources</th><th>% of Performance Rights eligible for vesting</th></tr><tr><td>Less than 130Moz</td><td>0%</td></tr><tr><td>Target: At 130Moz</td><td>50%</td></tr><tr><td>Between 130Moz & 150Moz</td><td>Pro-rata vesting</td></tr><tr><td>Stretch: 150Moz or more</td><td>100%</td></tr></table>	Mineral Resources	% of Performance Rights eligible for vesting	Less than 130Moz	0%	Target: At 130Moz	50%	Between 130Moz & 150Moz	Pro-rata vesting	Stretch: 150Moz or more	100%
Mineral Resources	% of Performance Rights eligible for vesting											
Less than 130Moz	0%											
Target: At 130Moz	50%											
Between 130Moz & 150Moz	Pro-rata vesting											
Stretch: 150Moz or more	100%											
PRAC	110,000	Subject to the satisfaction of both the Retention Condition and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2027.										

On 31 January 2025, the Company also issued 500,000 Restricted Stock Units ("Units") to an employee in Chile subject to the following vesting conditions and expiring on 31 December 2028. The Units were issued for cash consideration of \$10.

Class	Units	Vesting conditions										
A	166,666	Satisfaction of the Retention Condition and the Company's shares achieving a 20-Day VWAP of \$1.60 or greater prior to 31 December 2027.										
B	166,666	Subject to the satisfaction of both the Retention Condition and the Company announcing a JORC Code compliant total Mineral Resource Estimate at a grade of not less than 180g/t silver equivalent on or before 31 December 2027 as follows: <table><tr><th>Mineral Resources</th><th>% of Performance Rights eligible for vesting</th></tr><tr><td>Less than 130Moz</td><td>0%</td></tr><tr><td>Target: At 130Moz</td><td>50%</td></tr><tr><td>Between 130Moz & 150Moz</td><td>Pro-rata vesting</td></tr><tr><td>Stretch: 150Moz or more</td><td>100%</td></tr></table>	Mineral Resources	% of Performance Rights eligible for vesting	Less than 130Moz	0%	Target: At 130Moz	50%	Between 130Moz & 150Moz	Pro-rata vesting	Stretch: 150Moz or more	100%
Mineral Resources	% of Performance Rights eligible for vesting											
Less than 130Moz	0%											
Target: At 130Moz	50%											
Between 130Moz & 150Moz	Pro-rata vesting											
Stretch: 150Moz or more	100%											
C	166,667	Subject to the satisfaction of both the Retention Condition and the Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code on or before 31 December 2027.										

There were no other matters or circumstances that have arisen since the end of the half year which significantly affect or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

DIRECTORS' DECLARATION

In the directors' opinion:

- a) the interim consolidated financial statements and notes of the Company and its subsidiaries (collectively the "Group") are in accordance with the *Corporations Act 2001* (Cth), including:
 - i. giving a true and fair view of Group's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
 - ii. complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* (Cth) and other mandatory professional reporting requirements; and
- b) there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to be "DS", is placed above the name David Southam.

David Southam

Non-Executive Chairman

Date: 11 March 2025

RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Andean Silver Limited

Conclusion

We have reviewed the accompanying half-year financial report of Andean Silver Limited ('the Company') and the entities it controlled (together referred to as 'the Group'), which comprises the Consolidated statement of financial position as at 31 December 2024, the Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year then ended, notes comprising and Material accounting policies information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Andean Silver Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

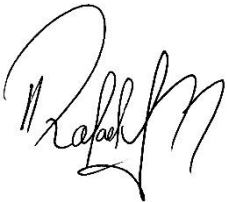
Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



RSM AUSTRALIA PARTNERS



R J MORILLO MALDONADO
Partner

Melbourne, Victoria
Date: 11 March 2025

For personal use only



www.andeansilver.com
info@andeansilver.com

L2/8 Richardson Street
West Perth WA 6005