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**ANDEAN**  
S I L V E R

# ANNUAL REPORT

**FOR THE TRANSITIONAL  
YEAR ENDED 31 DECEMBER 2025**

ABN 24 645 578 454



## CONTENTS

<b>CORPORATE DIRECTORY.....</b>	<b>1</b>
<b>CHAIRMAN’S LETTER.....</b>	<b>2</b>
<b>REVIEW OF OPERATIONS.....</b>	<b>3</b>
<b>ANNUAL MINERAL RESOURCE STATEMENT .....</b>	<b>18</b>
<b>DIRECTORS’ REPORT .....</b>	<b>22</b>
<b>AUDITOR’S INDEPENDENCE DECLARATION .....</b>	<b>59</b>
<b>2025 TRANSITIONAL YEAR FINANCIAL REPORT.....</b>	<b>60</b>
<b>CONSOLIDATED ENTITY DISCLOSURE STATEMENT .....</b>	<b>109</b>
<b>DIRECTORS’ DECLARATION.....</b>	<b>110</b>
<b>INDEPENDENT AUDITOR’S REPORT.....</b>	<b>111</b>
<b>ASX ADDITIONAL SHAREHOLDER INFORMATION .....</b>	<b>115</b>
<b>SCHEDULE OF MINING TENEMENTS.....</b>	<b>120</b>

# CORPORATE DIRECTORY



## **Non-Executive Chairman**

David Southam

## **Non-Executive Directors**

Raymond Shorrocks

Carl Travaglini

Jessie Liu-Ernsting

## **Company Secretary**

Maddison Cramer

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[Australian Securities Exchange](#)

ASX Code: ASL

[OTC Markets](#)

OTCQX Code: ADSLF

## **Website Address**

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## **Solicitors**

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## CHAIRMAN'S LETTER

Dear Shareholder,

I am delighted to welcome you to the Annual Report of Andean Silver Limited ("Andean" or "Company") for the Transitional Year ended 31 December 2025 ("TY2025").

As announced in December 2025, Andean has changed its financial year end from 30 June to 31 December. As a result of this transition, you will have received two reports of this nature within a six-month period. The financial statements presented in this report therefore cover the six months ended 31 December 2025, reflecting the Company's new balance date.

Since I last wrote to you, Andean has made rapid progress at our Cerro Bayo silver-gold project in Chile. Our strategy of creating value through aggressive exploration is paying dividends and as a result of our success on this front, we are now conducting mining and restart studies on the project.

Our multi-rig drilling program continues to extend the known mineralisation well beyond the resource and we have identified new extensive mineralised veins which will form part of our ongoing growth and exploration drilling.

At the Laguna Verde Mine Complex area, which contains more than 75 percent of the current resource, we are seeking to convert more Inferred Resources to the Measured and Indicated categories to support the production-restart studies now underway. These internal studies are evaluating open pit and underground mining options and will continue through 2026.

Our strategy is very clear. We aim to create value for shareholders by growing the resource, by upgrading Inferred Resources to the more valuable Measured and Indicated categories and by progressing restart studies to demonstrate how the project can be quickly put back into production.

We are very well-funded to continue executing this strategy at a rapid pace. In December 2025, we undertook a highly successful \$30 million (before share issue costs) Share Placement. This was accompanied by a Share Purchase Plan ("SPP") for eligible shareholders, which was met with significant demand and was consequently closed early. As a result, we doubled the amount available under the SPP from \$3 million to \$6 million. The Share Placement and the SPP saw Andean emerge with cash on hand of \$61 million (before share issue costs), providing us a strong balance sheet from which to pursue our growth strategy.

Subsequent to the end of the transitional year, we announced leadership changes aimed at ensuring we continue to execute our highly successful exploration strategy in parallel with ultimately advancing the project towards production. These changes saw Mr Matthew Allen move from Chief Financial Officer to Chief Executive Officer while former Chief Executive Officer Mr Timothy Laneyrie moved to the new Executive role of Technical Director.

On behalf of the Board, I would like to thank Mr Laneyrie for the pivotal role he played in helping Andean acquire Cerro Bayo and subsequently establish a world-scale, high-grade silver-gold resource. Mr Laneyrie is now fully dedicated to progressing the exploration and resource growth program.

Mr Allen, who joined Andean just over a year ago, brings significant experience as a global resources CEO. He has successfully delivered numerous major resources projects through the full lifecycle of development studies, construction programs and handover into operations. His extensive experience means he is ideally placed to lead Andean as we approach a new phase of growth.

The combination of our strengthened leadership team, the significant exploration upside of our project and our robust cash position place Andean in a strong position to continue delivering value for shareholders. With this in mind, I look forward to another highly successful year for Andean.

**David Southam**  
**Non-Executive Chairman**

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**ANDEAN**  
S I L V E R

**REVIEW OF  
OPERATIONS**



# REVIEW OF OPERATIONS

Andean Silver Limited (ASX: ASL, OTCQX: ADSLF) (“Andean” or the “Company”) is pleased to report on its activities for the transitional financial year 1 July 2025 to 31 December 2025 (“TY2025” or the “Transitional Year”).

## 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 2017.<sup>1</sup> The Project occupies the western margin of the Deseado Massif, which is considered one of the premier epithermal gold-silver mining provinces globally, hosting world-class deposits such as Cerro Negro (Newmont) and boasting an endowment of >4.9Moz of gold and >29.9Moz of silver for a combined endowment of >437Moz AgEq.

The mine is located ~15km west of the town of Chile Chico (~4,000 people) and ~200km from the main deep-water port of Puerto Chacabuco, both of which are accessible by all-weather roads.



*Figure 1. Cerro Bayo Silver-Gold Project in the Aysen Region of Southern Chile.*

The Cerro Bayo Project is comprised of two distinct main districts separated by ~4km (Figure 2):

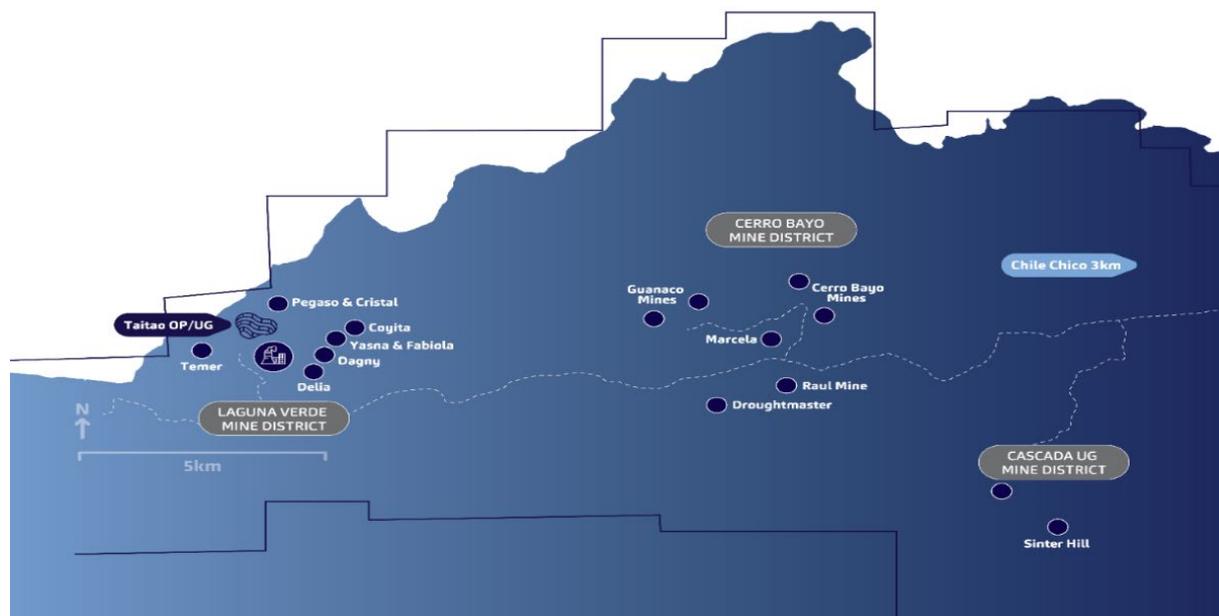
- » the **Cerro Bayo mine complex** (“CBMC”), which contains the Cerro Bayo mine, and Cascada, Guanaco and Marcella underground mines and Raul open pit mine, and has historically produced ~48.3Moz AgEq; and
- » the **Laguna Verde mine complex** (“LVMC”), which includes the historic Delia, Dagny, Fabiola, Yasna, Coyita, Temer, Condor and Cristal underground mines, and the historic Taitao open pit, with total historic production of ~43Moz AgEq. The Taitao open pit contains the high-grade Inferred Mineral Resource Estimate of 2.9Mt at 171/t AgEq for 15.8Moz AgEq.

<sup>1</sup> Couer/Mandalay production reconciliations from 2002-2017 total ~7.3Mt @201g/t Ag, 2.9g/y Au for 47Moz Ag and 678koz Au (~100 Moz AgEq @83:1 ratio).

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## REVIEW OF OPERATIONS

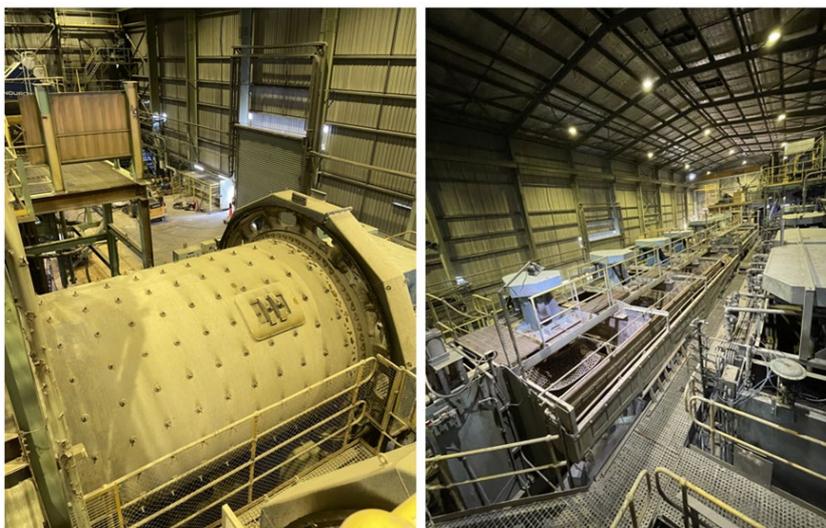


*Figure 2. Cerro Bayo Silver-Gold Project map, highlighting the location of the Cerro Bayo, Laguna Verde and Cascada Underground Mine Districts.*

### Infrastructure

The Project boasts existing infrastructure which will be crucial in facilitating exploration and enabling a cost-efficient mine restart.

Underpinning the site is a fully operational 500,000t per annum Ag-Au float plant, historically achieving recovery rates exceeding 90% silver and gold. The site is further bolstered by a comprehensive power network with surplus capacity, as well as 800Vs water rights.



*Figure 3. Ball mill and rougher/cleaner/scavenger units in mill.*

The site features extensive infrastructure, including a mine and administration office complex, vehicle workshops and stocked warehouses. Underground, it has modern refuge chambers, ventilation, electrical installations, water pumping systems, and surface power connections.

The mine also boasts a fully functional, audited laboratory with new drying ovens and an AAS analysis system. The core logging and sampling facility supports multiple drill rigs and can process over 800 meters of core at a time.

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# REVIEW OF OPERATIONS

## Geology

The Cerro Bayo Project is characterised as a high-grade, low sulphidation epithermal (“LSE”) silver-gold deposit located in the Deseado Massif Jurassic Belt. The mining area is made up of several high-grade veins that outcrop at surface and are considered to represent the bonanza boiling zones of the LSE system where the paleo surface has been eroded.

The veins have previously been drilled on average to <250m below surface, revealing strike lengths of 200m to 2km long and widths of 0.5m to 3m. Typical diluted mined grades of these systems were 450g/t AgEq. Beyond the existing mines, vein discovery has been more sporadic, largely due to exploration underspend and focus on production.

## Drilling and Exploration Updates

The latest drilling results for work completed during the Transitional Year, announced in February 2026, continue to extend the known mineralisation at the Cerro Bayo Silver-Gold Project in Chile.

An accelerated drilling program at the Laguna Verde Mine Complex (Figure 4) aims to grow the current Mineral Resource Estimate of **9.8Mt @ 353g/t AgEq for 111 Moz AgEq** and upgrade resources to the Measured and Indicated categories.

During the next 6-12 months, the geology team will continue to focus on:

- Improving the Resource confidence in the Measured and Indicated categories in the Laguna Verde Mine District, supported by the recently commenced restart studies;
- Exploring the regional resource targets in the Cerro Bayo Mine District, including the proven Marcela and Guanaco vein systems; and
- Planning for the commencement of drilling at the newly-defined Droughtmaster corridor utilising the results of the recently completed geophysical and surface mapping activities by Andean’s generative team.

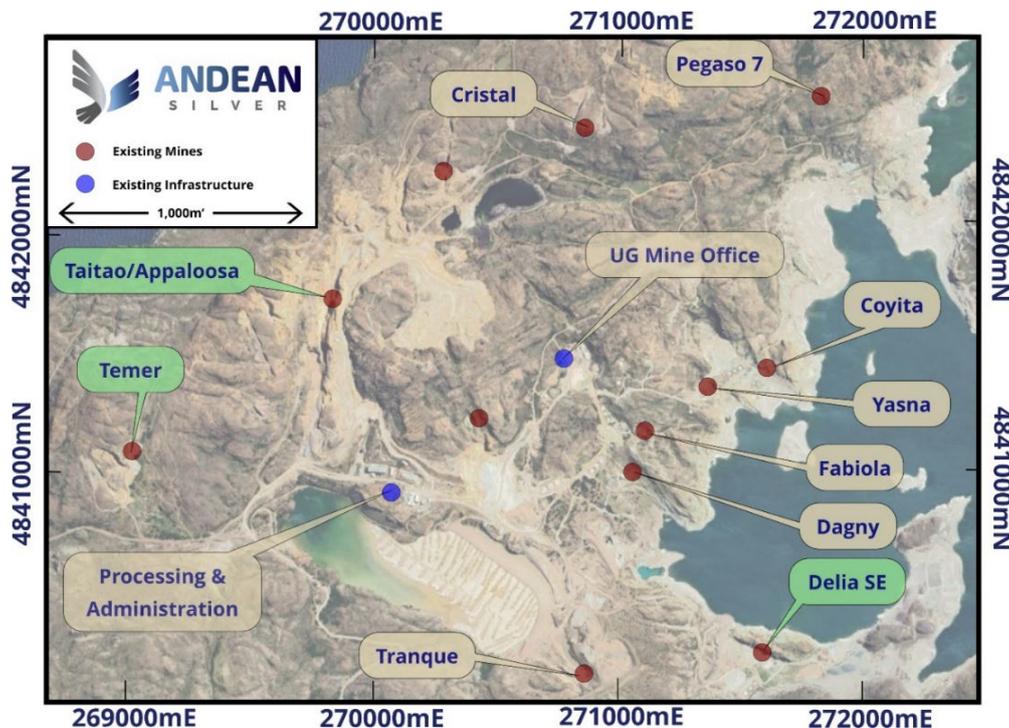


Figure 4. Laguna Verde Mine Complex map, highlighting the location of the existing mine areas (red dots) in relation to existing infrastructure (blue dots). Areas relating to the latest drilling program are highlighted green.

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## REVIEW OF OPERATIONS

### Appaloosa Breccia

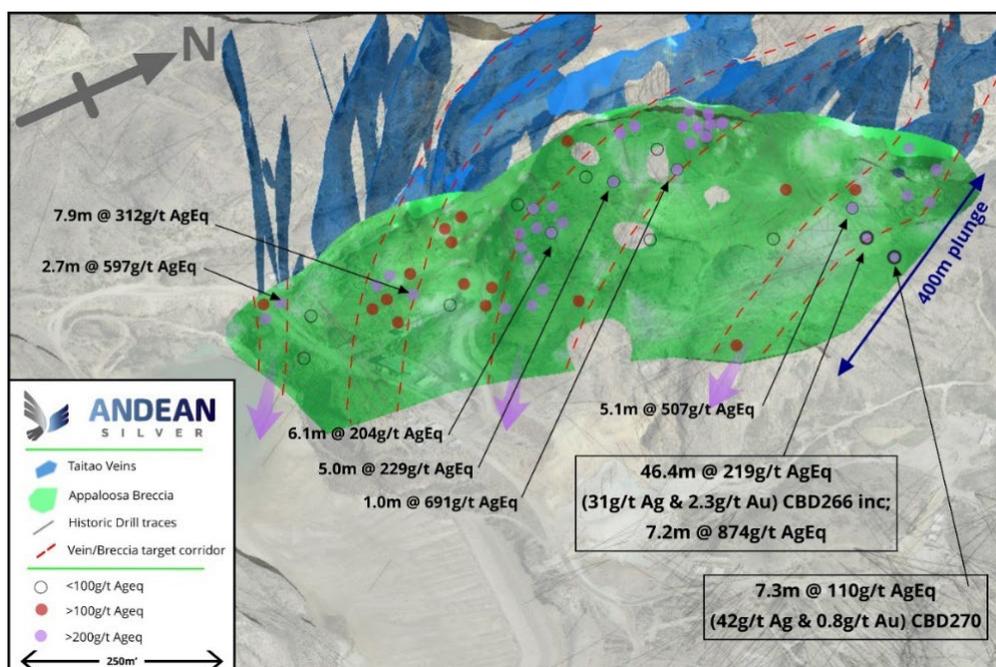
Drilling is establishing the Appaloosa Breccia as an emerging significant mineralised prospect, characterized by its scale potential and dual-extraction scenario potential (Open Pit and Underground). Extending as close as 100m to the Laguna Verde processing facility, this large-scale structure represents a high-priority target for an initial Mineral Resource Estimate in CY2026.

The scale of the newly discovered Appaloosa Breccia is unique within the Cerro Bayo District and is comparable to other breccia hosted mineralised systems globally known to host large, high-grade shoots. Andean's drilling has confirmed three distinct mineralization styles throughout the Appaloosa Breccia structure including:

- **Mineralised Breccia Matrix:** Wide, low angle breccia with pervasive, high-grade hydrothermal matrix from a deeper source.
- **High-Grade Vein Clasts:** Critically, drilling has intersected fragments of high-grade veins within the breccia. These clasts have been transported from depth, acting as "geological vectors" that point toward undiscovered, high-grade veining at deeper levels.
- **High grade vein style:** Historically, mineralization throughout the district has been exploited by underground mining and slot cuts, with bonanza-grade mineralization commonly developed at the structural intersections of multiple vein-hosting systems.

Results announced in February 2026 highlight the impressive widths and grades of the Appaloosa Breccia structure (Figure 5):

- 46.4m @ 219g/t AgEq (31g/t Ag & 2.3g/t Au) (2.6g/t AuEq) CBD266, including:
  - » 25.8m @ 332g/t AgEq (39g/t Ag & 3.5g/t Au) (4.0g/t AuEq); and
  - » 7.2m @ 874g/t AgEq (89g/t Ag & 9.5g/t Au) (10.5g/t AuEq);
- 1.6m @ 511g/t AgEq (219g/t Ag & 3.5g/t Au) (6.2g/t AuEq) CBD268; and
- 2.7m @ 225g/t AgEq (70g/t Ag & 1.9g/t Au) (2.7g/t AuEq) CBD270.



**Figure 5.** View looking North-West of the Taitao mineralised shoots (blue) and Appaloosa Breccia (green) showing vein/breccia intersections (red dotted lines) representing high grade target corridors. Refer to Andean ASX releases dated 9 February 2026, 21 October 2025 and 11 December 2025.



## REVIEW OF OPERATIONS

### Temer

The Temer prospect continues to deliver strong exploration results since the commencement of drilling in late 2025 and will feature in restart plans as it is located just 750m from the processing facility. This proximity provides a direct, low-cost route to potential production, significantly de-risking the prospect’s potential economic feasibility.

Current drilling is focused on infilling and expanding the primary Temer shoots—historically a high-grade production area under Coeur Mining (1995–2000). Recent results have successfully extended the main mineralised shoot and confirmed the presence of new, high-grade hanging wall and footwall veins, demonstrating the scale of the broader Temer Vein system.

Drilling during the period returned high-grade results (refer ASX release dated 9 February 2026), highlighted by ultra-high-grade silver and gold tenors within the main shoot and newly identified hanging wall veins (Figures 6 and 7):

#### Main Mineralised Shoot:

- 0.8m @ 4,131g/t AgEq (1,372g/t Ag & 33.2g/t Au) (49.8g/t AuEq) CBD269;
- 1.5m @ 409g/t AgEq (25g/t Ag & 4.6g/t Au) (4.9g/t AuEq) CBD264; and
- 1.3m @ 457g/t AgEq (125g/t Ag & 4.0g/t Au) (5.5g/t AuEq) CBD262.

#### Hanging wall Vein Intercepts:

- 0.3m @ 1,995g/t AgEq (788g/t Ag & 14.5g/t Au) (24g/t AuEq) CBD259; and
- 0.2m @ 1,176/t AgEq (968g/t Ag @ 2.5g/t Au) (14.2g/t AuEq) CBD64.

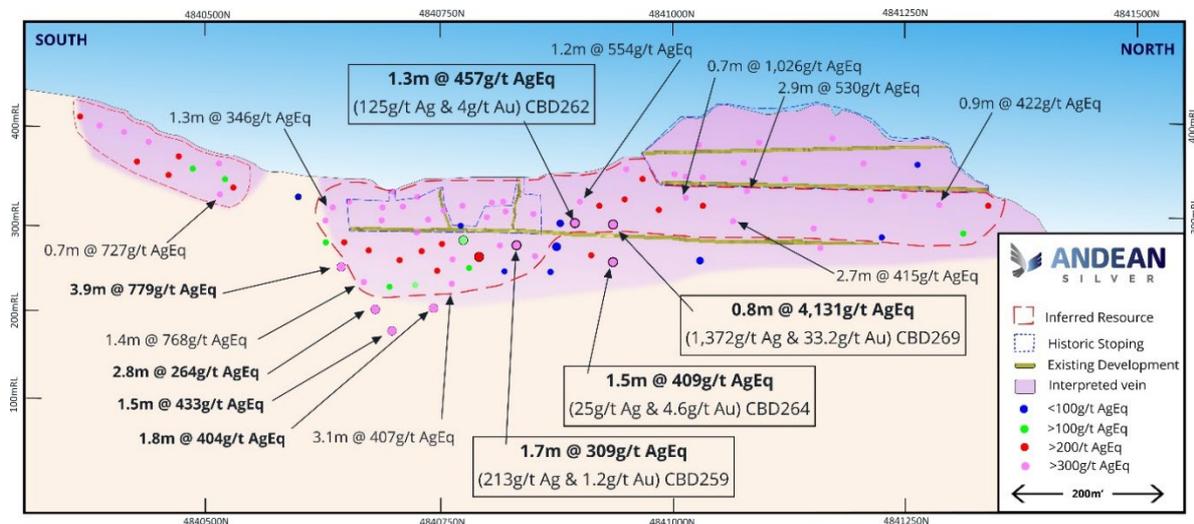


Figure 6. Temer Shoot long section looking west. Latest drilling results in boxes. Refer to Andean ASX releases dated 9 October 2025 and 11 December 2025.



Figure 7. CBD269 Temer Main mineralised shoot quartz breccia, 0.8m @ 4,131g/t AgEq from 149.75m to 151m. Refer to Andean ASX release dated 11 December 2025.

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## REVIEW OF OPERATIONS

### Delia SE

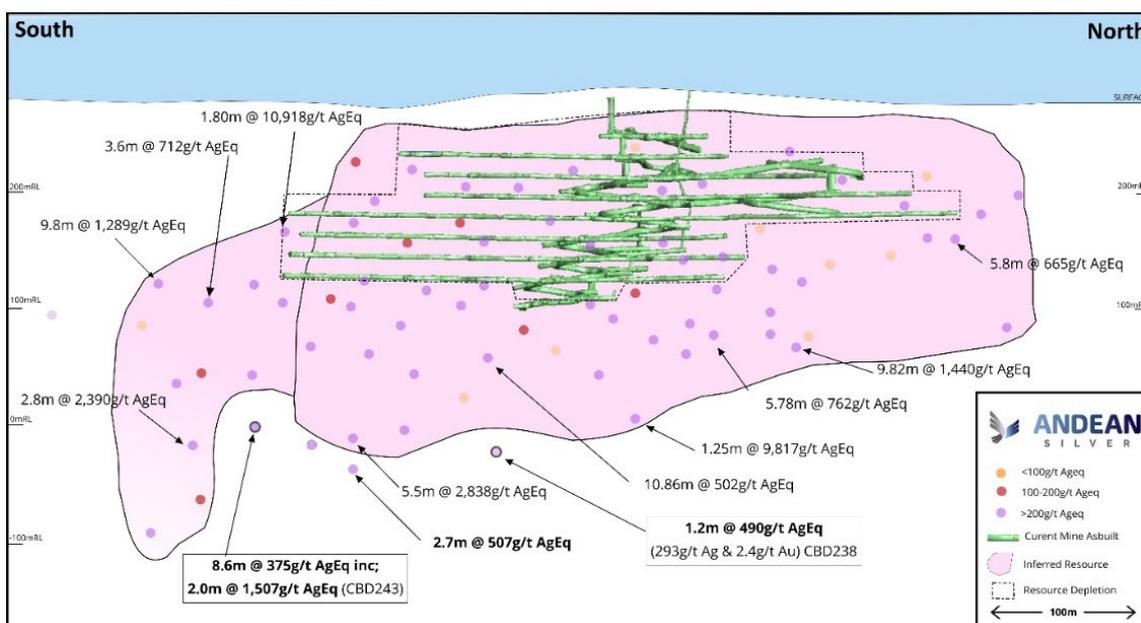
Drilling during the period continued to focus on the extension of the Delia SE resource with progressive step out holes continuing to intersect mineralised shoots outside of the existing Mineral Resource Estimate (“MRE”). Drilling is demonstrating the potential for a bulk mining approach within certain zones (e.g. highlighted by CBD243 intersections) with stockwork vein halo mineralisation increasing in density around intersections of major structures.

Mineralisation remains outside of the existing MRE within the footwall and infrastructure of Delia SE that will be evaluated for inclusion in future resource updates (Figures 8, 9 and 10). Historical drill results from footwall intercepts in veins at Delia SE proximal to infrastructure are also not currently included in the Delia SE resource.

The drilling campaign at Delia SE has continued through Q1 2026, targeting both extensions to the existing MRE and resource category conversion drilling to support future mine studies.

Significant intercepts reported in December 2025 within the main mineralised shoots include (Figures 8 and 9):

- 8.6m @ 375g/t AgEq (170g/t Ag & 2.5g/t Au) (4.5g/t AuEq) CBD243, including:
  - » 2.0m @ 1,507g/t AgEq (692g/t Ag & 9.8g/t Au) (18.2g/t AuEq); and
- 1.2m @ 490g/t AgEq (293g/t Ag & 2.4g/t Au) (5.9g/t AuEq) CBD238; and
- 2.0m @ 290g/t AgEq (128g/t Ag & 2.0g/t Au) (3.5g/t AuEq) CBD238.



**Figure 8.** Delia SE long section looking west. Refer to Andean ASX releases dated 1 December 2023, 4 March 2024 and 11 December 2025.



## REVIEW OF OPERATIONS

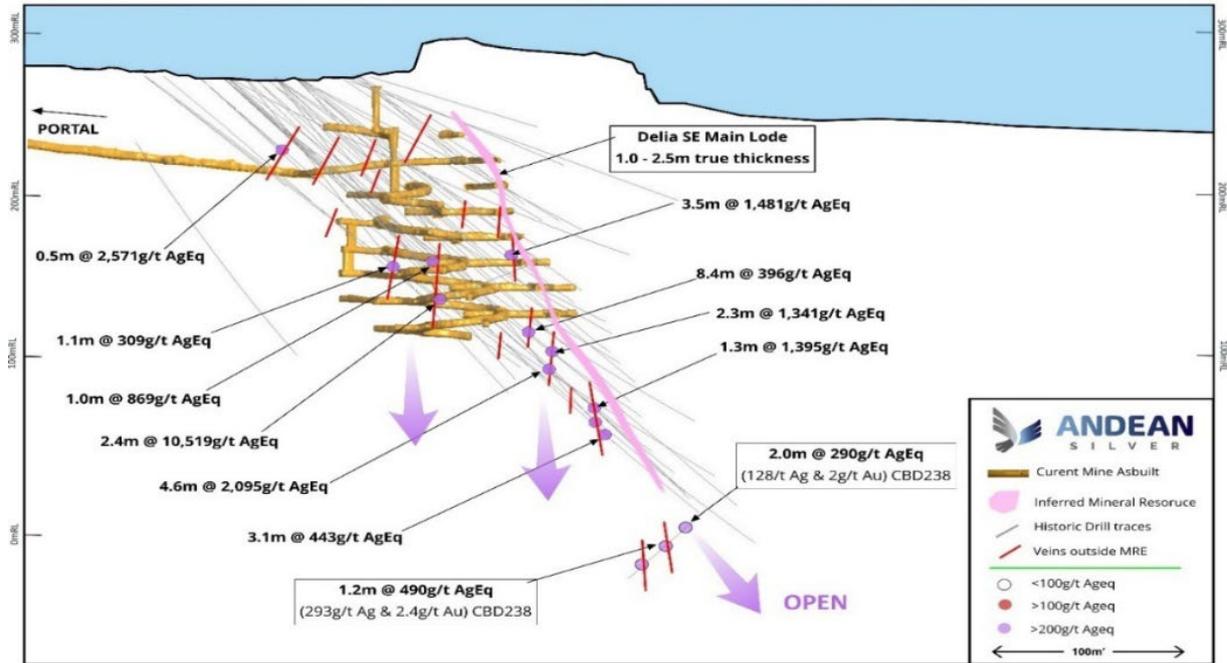


Figure 9. Delia SE Cross section looking North. Section +/-30m. Results in bold represent footwall intercepts in veins proximal to infrastructure that remain to be included in resource. Refer to Andean ASX release dated 11 December 2025.

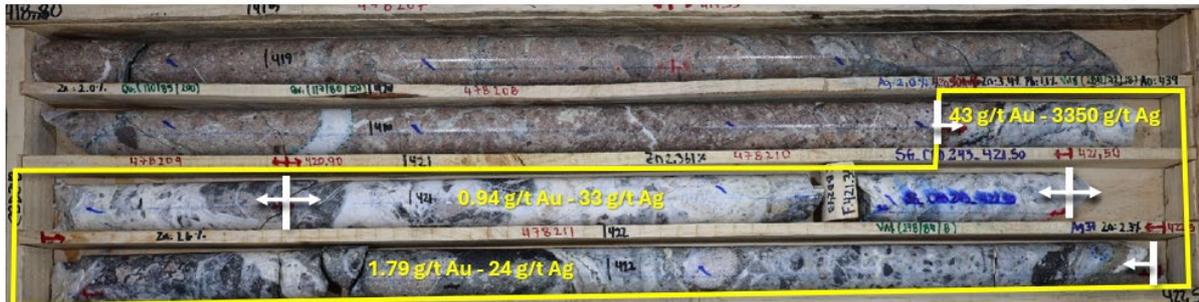


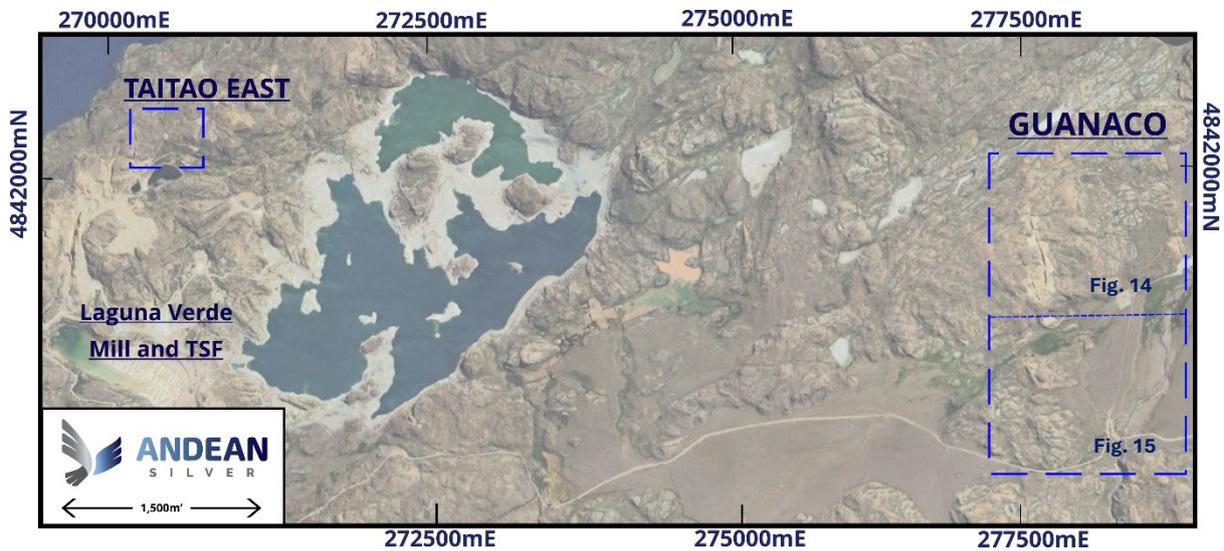
Figure 10. Diamond hole CBD243 Delia SE quartz breccia intercept, 2.0m @ 1,507g/t AgEq from 420.5m to 422.5m. Refer to Andean ASX release dated 11 December 2025.

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## REVIEW OF OPERATIONS

### Regional Exploration

During the 6-month period, Andean completed geological mapping within the Cerro Bayo project area. The purpose of the mapping was to establish the geological controls of the Temer area to guide resource extension drilling. The mapping program identified extensive new high-grade veins within the area.



**Figure 11.** Location of the Guanaco (Figures 14 & 15) and Taitao East (Figure 12) (blue dotted lines) proximal to the Taitao open pit and existing Laguna Verde processing facility. The Project currently boasts total Resources of 111Moz, with an additional 100Moz mined historically.

### Taitao Project Exploration

Ongoing re-evaluation throughout the western Laguna Verde mine area within the Cerro Bayo Project during the 6-month period continued to demonstrate the under-explored nature of the project. The exploration team identified multiple parallel veins extending subparallel and between the Taitao open pit and Cristal prospect. These veins have not been identified from mapping campaigns during over 30 years of the mine's history. The full extent of the veins is yet to be established through further exploration campaigns.

The veining is similar to the north-south trending high grade silver-gold veining historically exploited within the open pit and what has recently been discovered within the Cristal prospect by Andean. Significant potential exists for the veining to continue to extend through the shallow cover valley between Taitao and Cristal. This will be the focus of future work and could substantially increase the near mill exploration and resource potential.

The high-grade assays from the new vein discoveries (Figure 12) include significant rock chip results (refer ASX release dated 2 December 2025), such as:

- 21,282g/t silver equivalent (10,530g/t Ag & 129.5g/t Au) or 256.4g/t AuEq;
- 10,460g/t silver equivalent (5,049g/t Ag & 65.2g/t Au) or 126g/t AuEq;
- 13,707g/t silver equivalent (5,633g/t Ag & 96.7g/t Au) or 165.1g/t AuEq;
- 3,485g/t silver equivalent (1,775g/t Ag & 20.6g/t Au) or 42g/t AuEq; and
- 3,189g/t silver equivalent (1,501g/t Ag & 20.3g/t Au) or 38.4g/t AuEq.

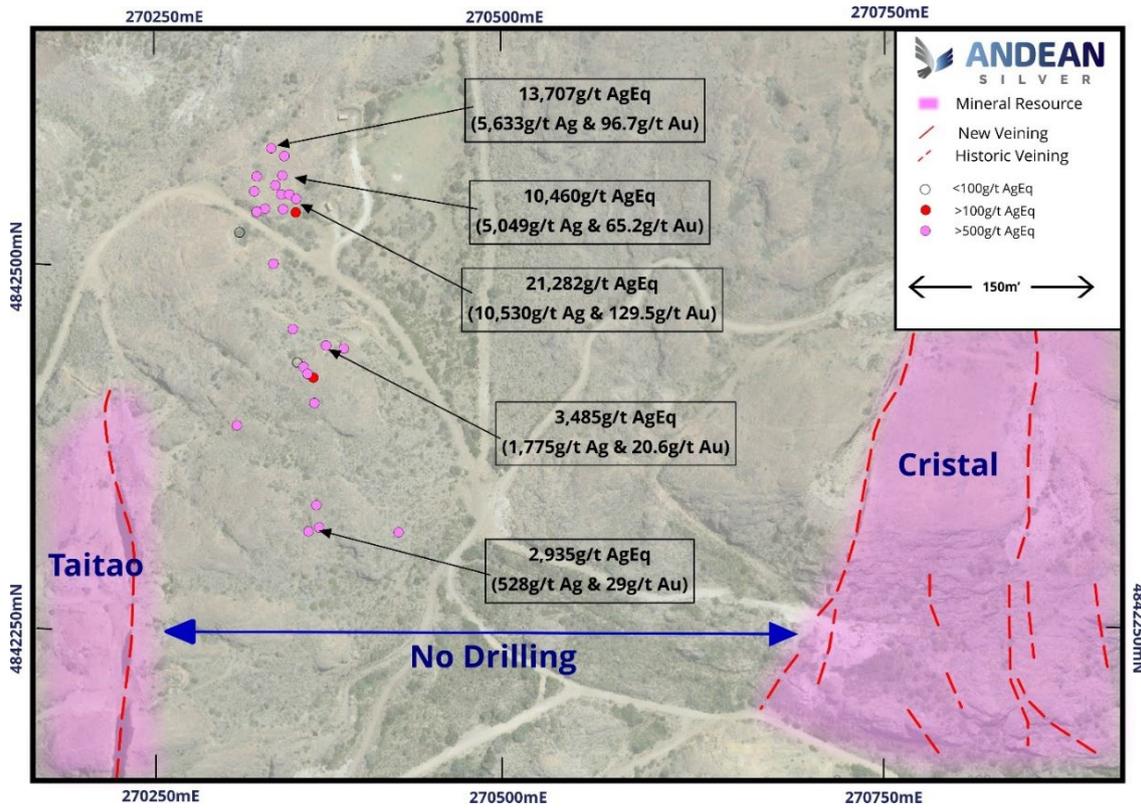


Figure 12. Taitao East outcropping high grade silver-gold rock chip results. Refer ASX release dated 2 December 2025.

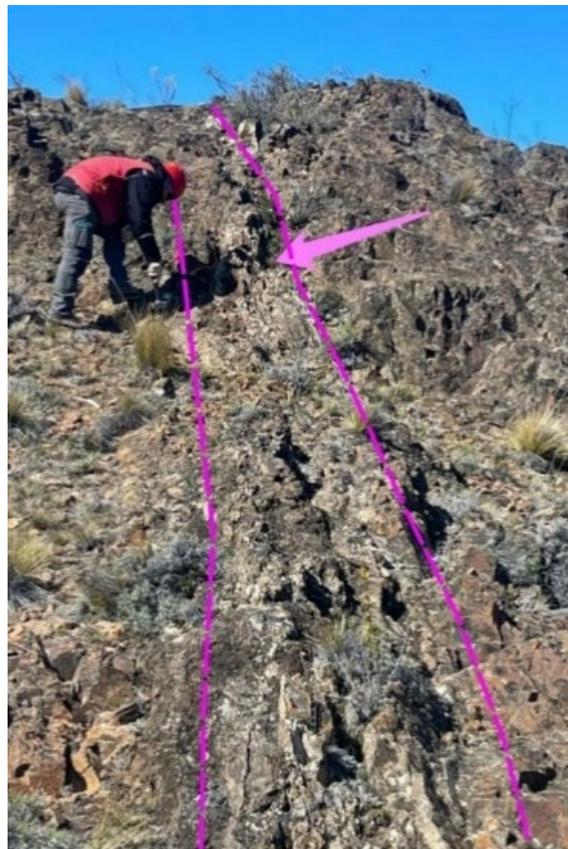


Figure 13. Typical vein outcrop observed within the Taitao East project area. Pink arrow indicates location of Sample ID 45408 returning 2,935g/t AgEq (528g/t Ag & 29g/t Au or 35.4g/t AuEq). Refer ASX release dated 2 December 2025.

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## REVIEW OF OPERATIONS

### Cerro Bayo Project Exploration

Mapping, sampling and geological interpretation undertaken by Andean during the period have delineated significant strike extensions to multiple sub-parallel vein corridors within the Guanaco Vein Field system at Cerro Bayo. These newly recognised vein structures extend the northern limit of the system by an additional ~1 km across multiple sectors, materially expanding the known footprint of the epithermal vein field (Figures 14 to 16).

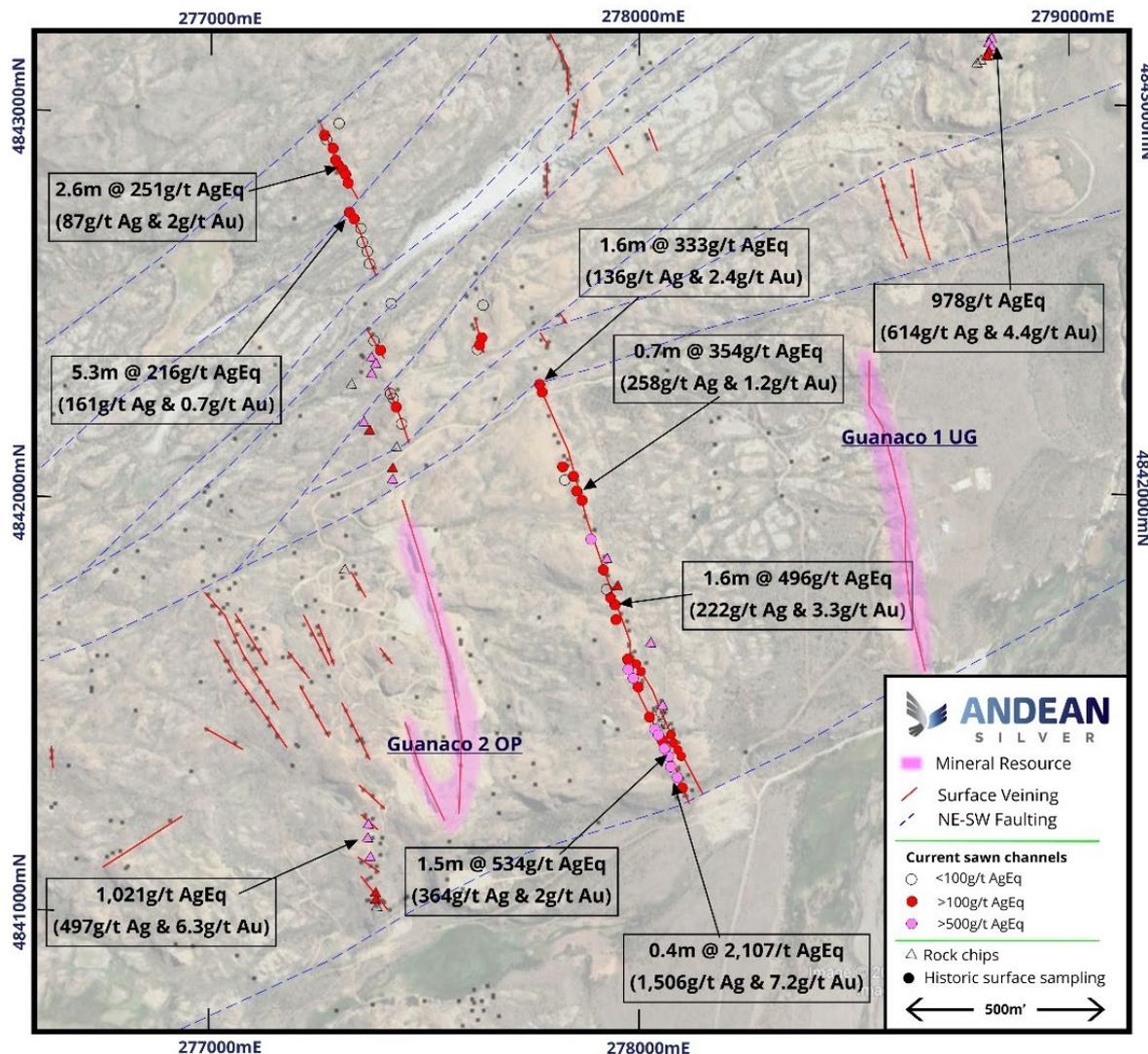


Figure 14. Latest Exploration results over the Guanaco corridor.

High-grade silver and gold rock chip results from within Guanaco (refer ASX release dated 2 December 2025) include:

- 7,777/t silver equivalent (4,011g/t Ag & 45.4g/t Au) or 93.7g/t AuEq;
- 6,366g/t silver equivalent (2,488g/t Ag & 46.7g/t Au) or 76.7 g/t AuEq;
- 6,181g/t silver equivalent (2,268g/t Ag & 47.1g/t Au) or 74.5g/t AuEq;
- 4,502g/t silver equivalent (2,378g/t Ag & 25.6g/t Au) or 54.2g/t AuEq; and
- 3,725g/t silver equivalent (1,177g/t Ag & 30.7g/t Au) or 44.9g/t AuEq.

High-grade silver and gold saw channel results (refer ASX release dated 2 December 2025) include:



## REVIEW OF OPERATIONS

- 1.7m @ 1,031g/t silver equivalent (343g/t Ag & 8.3g/t Au) or 12.4g/t AuEq;
- 0.5m @ 6,050g/t silver equivalent (1,129g/t Ag & 59.3g/t Au) or 72.9g/t AuEq;
- 1.0m @ 737g/t silver equivalent (609g/t Ag & 1.5g/t Au) or 8.9g/t AuEq;
- 1.5m @ 534g/t silver equivalent (364g/t Ag @ 2g/t Au) or 6.4g/t AuEq;
- 0.8m @ 778g/t silver equivalent (424g/t Ag & 4.3g/t Au) or 9.4g/t AuEq; and
- 1.5m @ 534g/t silver equivalent (364g/t Ag & 2g/t Au) or 6.4g/t AuEq.

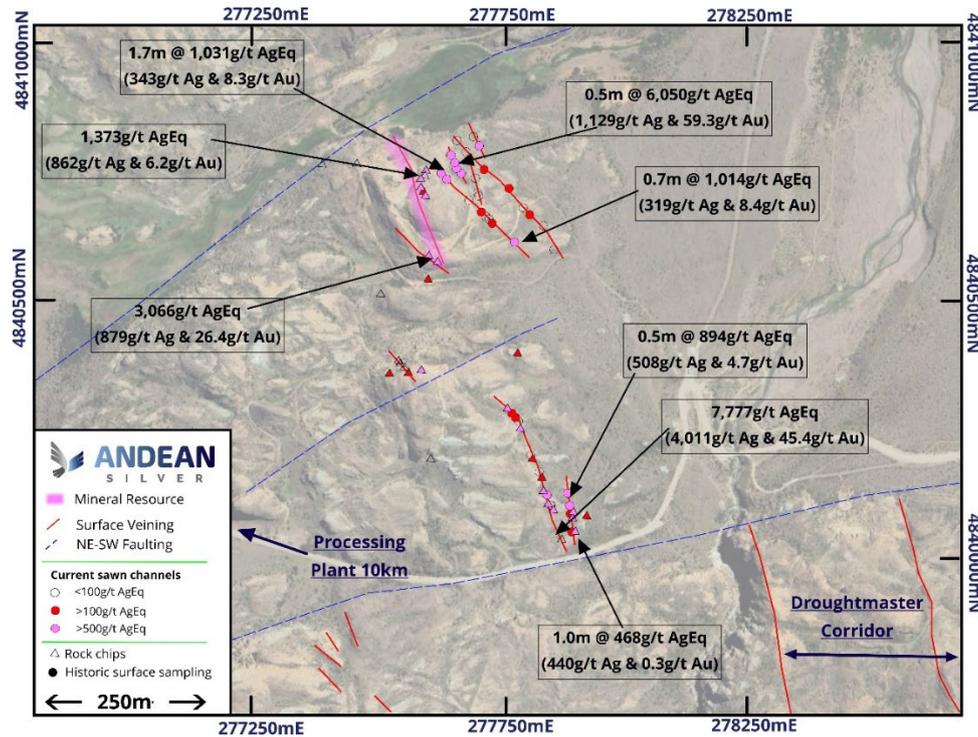


Figure 15. Latest Exploration results over the Guanaco corridor. Refer ASX release dated 2 December 2025.



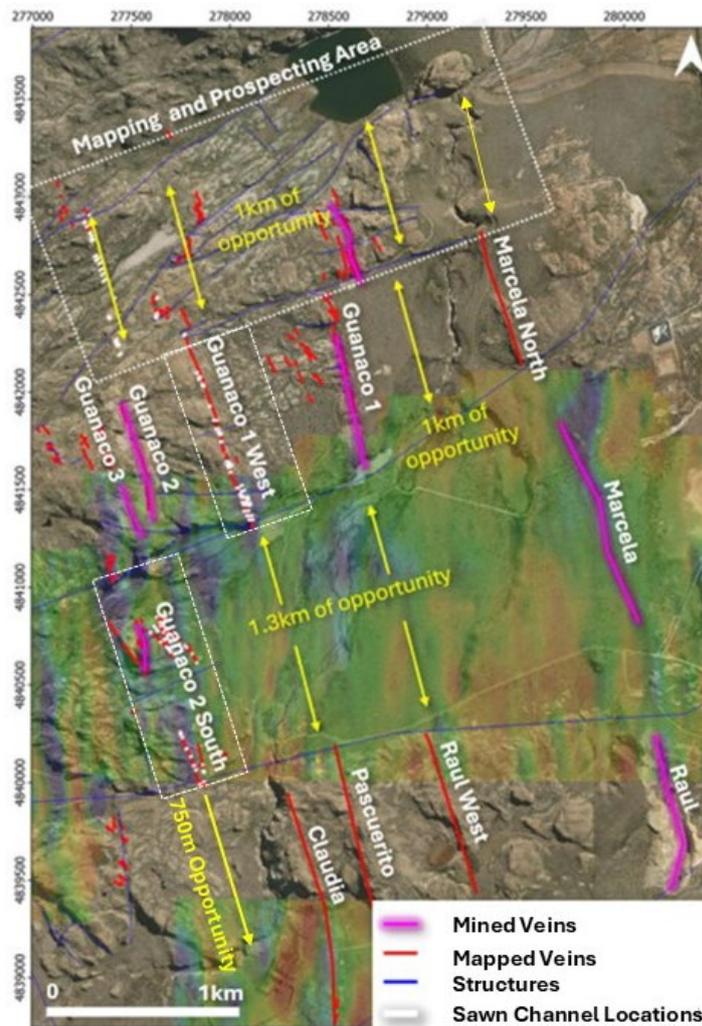
Figure 16. Sawn Channel sample showing epithermal textures within the vein. Sample ID CC278, returning 1.6m @ 333g/t AgEq (136g/t Ag & 2.4g/t Au) or 4.0g/t AuEq. Looking North. Refer ASX release dated 2 December 2025.



## REVIEW OF OPERATIONS

Utilising the recently generated Andean resistivity geophysical results combined with re-interpretation of the geological controls on vein emplacement, a series of east to north-east structures are interpreted to truncate and offset the vein system along the vein corridor.

Understanding these district scale structural offsets has allowed Andean geologists to predict the potential for a series of concealed veins to extend in areas under shallow cover which will be the focus of future drilling campaigns.



**Figure 17.** Interpreted positions of potential extensions and repetitions of concealed veins (Yellow lines) indicated by mapping and coincident high resistivity geophysical lineaments throughout gravel covered areas throughout the eastern portion of the Cerro Bayo project. CSMAT resistivity imagery draped over drone lidar in image. Refer ASX releases dated 13 February 2025, 28 May 2025 and 2 December 2025.

### Cerro Bayo General Operations

**Care and Maintenance:** Regular operations to maintain the operational readiness of the Cerro Bayo site are being undertaken by the onsite team, along with regular compliance-related reporting and engagement with key stakeholders of the project.

**Mining, Metallurgical and Geotechnical Studies:** During the 6-month period, Andean continued to progress work on mining study, metallurgical and geotechnical studies and other restart study workstreams that will guide the subsequent feasibility study activities to be undertaken in CY2026.

# REVIEW OF OPERATIONS

## Twelve Month Strategy and News Flow

Andean continues to effectively execute an aggressive exploration and resource growth campaign throughout its 330km<sup>2</sup> Cerro Bayo mine district. Over the previous two years since acquisition of the Cerro Bayo Project, Andean has increased the global Mineral Resources by over 340%, discovered multiple new vein systems, and created a project exploration pipeline to underpin long term growth.

For CY2026, the Andean team aims to advance the project from a predominantly exploration focus to a combination of exploration and restart planning. Andean’s strategy for 2026 will include:

### Exploration:

- » Drilling brownfields targets for growth of existing Resources in the Laguna Verde and Cerro Bayo Project areas.
- » Continuing to support long-term resource growth potential through target generation, exploration and discovery.
- » Continuing to develop and permit a comprehensive drill campaign over the greenfield projects from target generation and geophysical campaigns over the Droughtmaster/Sinter hill areas.
- » Continuing the broader regional exploration campaigns (mapping, sampling, target generation).

### Restart Planning:

- » Continuation of internal studies which will guide the future restart planning phases.
- » Commencement of a broad infill drilling campaign to support conversion and updated geotechnical and metallurgical studies.
- » Commencement of feasibility level work.

Along with the current fleet of 4 drill rigs, the Company will consider increasing the number of rigs on site to support all planned 2026 activities to achieve the Company’s strategic goals.

**Table 1. News flow over coming 12 months**

		Q1 2026	Q2 2026	Q3 2026	Q4 2026
Exploration and Resource Growth	Resource Extension Drilling	→			
	Cerro Bayo Geological Exploration	→			
	Regional Exploration	→			
	Regional Greenfield Drilling Campaign	→			
Feasibility Study and Mine Restart Planning	Feasibility Study	→			

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

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## REVIEW OF OPERATIONS

### AUSTRALIAN PROJECTS

#### View Hill and Mount Alexander Projects – Western Australia

Andean holds tenure (E36/1080) west of Leonora known as the View Hill Project, which covers a NW/SE trending dolerite unit that showed early prospectivity for layered intrusive style mineralisation including V-Ti and Ni-Cu-PGE as well as Lithium and Rare Earths. The Company also holds the Mt Alexander Project (E29/1167) within the Mt Alexander Greenstone Belt, which has traditionally been associated with banded iron formations (BIF) and the delineation of some large tonnage magnetite ( $\text{Fe}_3\text{O}_4$ ) deposits.

In 2024, the Company (via its wholly-owned subsidiary Bellpark Minerals Pty Ltd (“Bellpark”)) entered into an agreement with Western Yilgarn NL (ASX: WYX) to grant WYX the right to earn into the View Hill Project, along with the Mt Alexander project, over a 2-year period.

No significant work was conducted by either WYX or the Company on the above projects during the 6-month period. Subsequent to 31 December 2025, the parties terminated the farm-in agreement and the Company surrendered both projects.

#### Pilbara Project – Western Australian

No significant work was conducted on the Pilbara Project (E45/6126) during the 6-month period. The Company surrendered this tenement in December 2025.

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**ANNUAL MINERAL  
RESOURCE STATEMENT**

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# ANNUAL MINERAL RESOURCE STATEMENT

# ANDEAN SILVER

The Annual Mineral Resource Statement is based on, and fairly represents, information and supporting documentation prepared by Mr Tim Laneyrie, and the Annual Mineral Resource Statement as a whole has been approved by Mr Laneyrie. Mr Laneyrie is a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee's ("JORC") 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves', and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Laneyrie is employed full-time by the Company as Technical Director.

## Current Mineral Resource Estimate

The latest Mineral Resource Estimate for the Cerro Bayo Project, as at 31 December 2025, which was released on 1 April 2025, is presented in the table below:

### Mineral Resource Estimate as at 31 December 2025

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

Area	Inferred					AgEq (g/t)	AgEq (Moz)	AuEq (g/t)	AuEq (Moz)
	Tonnes (Mt)	Ag Grade (g/t)	Au Grade (g/t)	Silver (Moz)	Gold (Moz)				
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
	<b>8.8</b>	<b>136</b>	<b>2.3</b>	<b>38</b>	<b>0.7</b>	<b>330</b>	<b>93</b>	<b>4.0</b>	<b>1.1</b>

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 (Moz)
	<b>9.8</b>	<b>151</b>	<b>2.4</b>	<b>47</b>	<b>0.8</b>	<b>353</b>	<b>111</b>	<b>4.3</b>	<b>1.3</b>

#### Notes:

- 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. 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.
- Pit optimisation shells were used to constrain the Mineral Resource Estimate using a gold price of US\$1,850/oz and Silver price of US\$24/oz.
- 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 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.
- Bulk Density of 2.63g/cm<sup>3</sup> has been applied to veins and 2.57g/cm<sup>3</sup> 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.

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# ANNUAL MINERAL RESOURCE STATEMENT

**ANDEAN**  
S I L V E R

## Review of Material Changes

The Company first announced a Mineral Resource Estimate for the Cerro Bayo Project to the market on 1 December 2023, as part of the announcement regarding the proposed acquisition of the project from Equus Mining Limited. This acquisition subsequently completed on 21 February 2024. At point of acquisition by Andean, the Cerro Bayo Project included existing JORC Inferred Resources of 3.82Mt @ 206g/t AgEq for 25Moz AgEq within the Taitao open and underground area. Following acquisition, updates to the Mineral Resource Estimate were announced on 12 March 2024 (5.03Mt @ 311g/t AgEq for 50.2Moz AgEq) and 16 September 2024 (8.2Mt @ 342g/t AgEq for 90.7Moz).

The Company's Annual Report for the financial year ended 30 June 2025 also referred to the Mineral Resource Estimate released on 1 April 2025, as presented in the table above.

As part of an annual review of resources, the economic assumptions outlined in accordance with principles of the JORC Code have been reviewed, and no material changes have been applied. Furthermore, the Company is not in possession of any new information or data relating to the previously announced resource estimate, as such there are no material changes to the resource estimate and no comparison of estimates is necessary. No further update to the resource estimate has been completed following the annual review of mineral resources completed for the financial year ended 30 June 2025.

## Governance

Reporting of Mineral Resource Estimates has been compiled in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") and Chapter 5 of the ASX Listing Rules. The JORC Code is a set of minimum standards, recommendations and guidelines for public reporting of Exploration Results, Mineral Resources and Ore Reserves, as defined by the Joint Ore Reserves Committee ("JORC").

The Company has governance processes in place to manage the Mineral Resource Estimates. All Mineral Resource Estimates are prepared by qualified professionals in accordance with JORC Code processes to ensure the estimates are based on representative and unbiased samples obtained with appropriate QA/QC in place.

The Mineral Resource Estimates quoted above have been estimated by Mr Tim Laneyrie and Andre Wulfse and are periodically peer reviewed by both internal personnel and external consultants. The Company engaged independent experts (Cube Consulting, Brian Wolfe and SRK) to review the Mineral Resource Estimates and methodology in the March 2024, September 2024 and April 2025 resource updates.

## Classification

The current Mineral Resource Estimate has been classified in accordance with guidelines contained in the JORC Code (2012). This classification is based on assessment and understanding of the deposit style, geological and grade continuity, drill-hole spacing, input data quality (including drill collar surveys and bulk density).

The Mineral Resource Estimate was classified as Indicated and Inferred, accounting for the level of geological understanding of the deposit, quality of samples, density data, drill-hole spacing and sampling, analytical and metallurgical processes. 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. Material classified as Indicated represents data and information density which supports a high degree of confidence in both geological and grade continuity. Material classified as Inferred was considered sufficiently informed by geological and sampling data to imply geological, grade and quality continuity between data points.

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The classification reflects the level of data available for the estimate, including input drill-hole data spacing, available historic information, and high level of confidence in geological continuity and relevant age of the data for this particular style of deposit.

### Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Tim Laneyrie, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Laneyrie is employed full-time by the Company as Technical Director and holds performance rights and shares in the Company. Mr Andre Wulfse, a Competent Person for Mineral Resource Estimation and a Fellow of the Australasian Institute of Mining and Metallurgy, assisted with the estimation of Pegaso 7, Cristal and the BSE/Pam lodes. Mr Wulfse is a full-time employee of the Company as a Principal Resource Geologist and holds performance rights and shares in the Company. Mr Laneyrie and Mr Wulfse have sufficient experience that is relevant to the styles of mineralisation and the types of deposits under consideration, and to the activities being undertaken, to qualify as Competent Persons as defined in the JORC Code. Mr Laneyrie and Mr Wulfse consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

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 in the table above. Silver equivalent was calculated based on the formula  $AgEq(g/t) = Ag(g/t) + (83 \times Au(g/t))$ . 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 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.

### Disclaimers

This report has been prepared by Andean Silver Limited based on information from its own and third-party sources and is not a disclosure document. No party other than the Company has authorised or caused the issue, lodgement, submission, despatch or provision of this report, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this report. Except for any liability that cannot be excluded by law, the Company and its related bodies corporate, directors, employees, servants, advisers and agents disclaim and accept no responsibility or liability for any expenses, losses, damages or costs incurred by you relating in any way to this report including, without limitation, the information contained in or provided in connection with it, any errors or omissions from it however caused, lack of accuracy, completeness, currency or reliability or you or any other person placing any reliance on this report, its accuracy, completeness, currency or reliability. This report is not a prospectus, disclosure document or other offering document under Australian law or under any other law. It is provided for information purposes and is not an invitation nor offer of shares or recommendation for subscription, purchase or sale in any jurisdiction. This report does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. Each recipient must make its own independent assessment of the Company before acquiring any shares in the Company



**ANDEAN**  
S I L V E R

# DIRECTORS' REPORT

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## DIRECTORS' REPORT

The Directors submit their report together with the consolidated financial statements of Andean Silver Limited ("Company" or "Andean"), and the entities it controlled ("Group") at the end of, or during, the transitional year ended 31 December 2025 ("TY2025").

### DIRECTORS

The names and details of the Company's Directors in office during, or since the end of TY2025 and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

<b>Mr David Southam</b> <i>B. Comm, FCPA, MAICD</i>	<b>Non-Executive Chairman</b>
<b>Appointment date</b>	1 October 2024, previously appointed Non-Executive Director on 17 April 2024
<b>Resignation date</b>	N/A
<b>Current listed directorship</b>	Ramelius Resources Ltd (ASX: RMS) – 2 July 2018 to present Cygnus Metals Limited (ASX:CY5) – 22 November 2022 to present
<b>Previous listed directorships (past 3 years)</b>	Nil

Mr Southam is a FCPA with more than 30 years' experience in accounting, operations, capital markets and finance across the resources and industrial sectors. Mr Southam has been intimately involved in several large project financings in multiple jurisdictions and has completed significant capital market and M&A transactions.

Prior roles include Managing Director of Mincor Resources NL, Executive Director of Western Areas Limited (ASX: WSA), Non-Executive Director of Kidman Resources and has held senior executive roles within Brambles Group, ANZ Investment Bank and WMC Resources.

<b>Mr Raymond Shorrocks</b> <i>BA (Hons), MBA (Finance)</i>	<b>Non-Executive Director</b>
<b>Appointment date</b>	1 October 2024, previously Non-Executive Chairman on 17 April 2024, Interim Executive Director on 1 April 2023 and Non-Executive Director on 7 February 2023
<b>Resignation date</b>	N/A
<b>Current listed directorship</b>	Alicanto Minerals Limited (ASX: AQI) - August 2020 to present Cygnus Metals Limited (ASX: CY5) - June 2020 to present Hydrocarbon Dynamics Ltd (ASX: HCD) - January 2016 to present
<b>Previous listed directorships (past 3 years)</b>	FireFly Metals Limited (ASX FFM) – 28 January 2020 to 19 March 2024 Galilee Energy Limited (ASX: GLL) – 2 December 2013 to 19 December 2025

Mr Shorrocks has more than 30 years' experience in corporate finance in the mining sector and has advised a diverse range of resources companies during his career at one of Australia's largest investment banking and stockbroking/financial services firms. He has been instrumental in managing and structuring equity capital raisings as well as having advised extensively in the area of mergers and acquisitions. Mr Shorrocks has worked on mines in South Africa, Africa, Australia and North and South America.

Mr Shorrocks was previously Chair of ASX-listed Bellevue Gold Limited, Republic Gold Limited and FireFly Metals Ltd, and is a former director and head of the Corporate Finance Department of a major Australian investment services company based in Sydney.



## DIRECTORS' REPORT

**ANDEAN**  
S I L V E R

**Mr Carl Travaglini**      **Non-Executive Director**  
*CA, ACG (CS), GAICD*

**Appointment date**      1 October 2023

**Resignation date**      N/A

**Current listed directorship**      Nil

**Previous listed directorships (past 3 years)**      Nil

Mr Travaglini is a Chartered Accountant, Chartered Company Secretary and a graduate of the Australian Institute of Company Directors, with over 18 years' experience in the resources sector, having served in various finance and company secretarial roles for ASX-listed companies with projects in Australia, Canada and Africa. Mr Travaglini is currently CFO of Midas Minerals Limited (ASX: MM1) and CFO and Joint Company Secretary of Cygnus Metals Limited (ASX: CY5).

**Ms Jessie Liu-Ernsting**      **Non-Executive Director**  
*MBA, ICD.D*

**Appointment date**      1 October 2025

**Resignation date**      N/A

**Current listed directorship**      Aston Bay Holdings Ltd (TSXV:BAY) - 10 March 2021 to present

**Previous listed directorships (past 3 years)**      FireFly Metals Limited (ASX: FFM) – 19 March 2024 to 20 April 2025  
Churchill Resources Inc (TSXV: CRI) - 6 June 2022 to 18 March 2024

Ms Liu-Ernsting is an accomplished executive and professional engineer with 20 years of experience in the natural resources industry. She was previously Vice President, Investor Relations & Communications of TSX Venture 50™ and OTCQX Best 50 company, G. Mining Ventures Corp (TSX: GMIN), where she was part of the leadership team responsible for a share price increase of 600%, taking the market capitalisation to C\$4.7B. Ms. Liu-Ernsting first joined FireFly Metals Limited as Non-Executive Director before transitioning to Chief Corporate Development Officer in May 2025.

Ms Liu-Ernsting is a professional engineer and an active Canadian Institute of Mining, Metallurgy and Petroleum (CIM) member and volunteer.

**Mr Patrick Gowans**      **Non-Executive Director**  
*LLB, BA*

**Appointment date**      1 April 2021

**Resignation date**      1 October 2025

**Current listed directorship**      N/A

**Previous listed directorships (past 3 years)**      N/A

Mr Gowans is a partner of QR Lawyers, a Melbourne law firm. Mr Gowans has over 15 years' experience in corporate and commercial law with a focus on equity capital markets, ASX compliance and corporate governance which includes advising a number of ASX listed mining exploration entities.

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## DIRECTORS' REPORT

**ANDEAN**  
S I L V E R

### COMPANY SECRETARY

<b>Maddison Cramer</b> LLB, BA (Hons)	<b>Company Secretary</b>
<b>Appointment date</b>	20 March 2023
<b>Resignation date</b>	N/A

Ms Cramer is a corporate lawyer with focus on mining and resources and a professional Company Secretary. She co-founded boutique corporate services business Belltree Corporate and is currently a Company Secretary at a number of ASX-listed mining and resources companies. Ms Cramer is a former Company Secretary of Bellevue Gold Limited (ASX: BGL) and prior to this, she was an Associate at Bellanhouse Legal and HWL Ebsworth Lawyers. Ms Cramer specialises in corporate and commercial transactions, including capital raisings, IPOs and backdoor listings, and corporate governance.

### MEETINGS OF DIRECTORS

Name	Directors' Meeting		Audit and Risk Management Committee (ARMC) <sup>1</sup>	
	Number Eligible to Attend <sup>2</sup>	Meetings Attended	Number Eligible to Attend <sup>2</sup>	Meetings Attended
David Southam	3	3	2	2
Raymond Shorrocks	3	3	N/A	N/A
Patrick Gowans <sup>3</sup>	2	2	1	1
Carl Travaglini	3	3	2	2
Jessie Liu-Ernsting <sup>4</sup>	1	1	1	1

<sup>1</sup> The ARMC was established on 12 June 2025 and effective 1 July 2025.

<sup>2</sup> Represents the number of meetings held during the time the director held office.

<sup>3</sup> Mr Gowans resigned as a Non-Executive Director on 1 October 2025.

<sup>4</sup> Ms Liu-Ernsting was appointed as a Non-Executive Director on 1 October 2025.

### PRINCIPAL ACTIVITIES

The principal activities of the Group consisted of mineral exploration and evaluation. There were no significant changes in the nature of the Group's principal activities during TY2025.

### CORPORATE

The Group's cash position as at 31 December 2025 was \$56,089,437 (30 June 2025: \$12,236,390).

The Group's consolidated loss after income tax expense for the 6-month period 1 July 2025 to 31 December 2025 was \$10,023,894 (Financial year ended 30 June 2025: loss after income tax expense of \$17,461,406).

The Group's total assets and net assets as at 31 December 2025 were \$103,751,945 (30 June 2025: \$52,729,405) and \$77,492,986 (30 June 2025: \$28,090,023), respectively.

### DIVIDENDS

There were no dividends paid, recommend or declared during TY2025 or previous financial year.

# DIRECTORS' REPORT



## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

### *Capital raisings*

On 18 July 2025, the Company announced that it had received firm commitments totalling \$30 million (before share issue costs) through a placement of 25,000,000 ordinary shares at an issue price of \$1.20 per share to institutional and sophisticated investors ("July Placement"). Proceeds from the July Placement were intended to fund drilling activities aimed at growing the Mineral Resource Estimate across both brownfield and greenfield areas, including the conversion of Inferred Resources into Measured and Indicated Resources. This work supports the delivery of a mining study, metallurgical and geotechnical test work and other restart study activities. Proceeds were also allocated toward working capital and payment of July Placement costs. The July Placement was completed on 25 July 2025.

On 8 December 2025, the Company announced that it had received firm commitments totalling \$30 million (before share issue costs) through a placement of 16,216,217 ordinary shares at an issue price of \$1.85 per share to institutional and sophisticated investors ("December Placement"). On the same date, the Company also announced a non-underwritten Share Purchase Plan ("SPP") to raise up to \$3 million (before costs), at the same offer price as the December Placement, in recognition of the support of the Company's shareholders. Proceeds from the December Placement and SPP were intended to accelerate drilling activities at the Cerro Bayo Silver-Gold Project, including resource growth, resource conversion, and regional exploration. Funds were also intended to support advancement of project studies, the evaluation of land right acquisitions in areas proximal to Cerro Bayo, and general working capital requirements, as well as costs associated with the Placement.

The December Placement was completed on 16 December 2025.

On 29 December 2025, the Company closed applications under SPP and increased the amount raised to \$6 million following strong shareholder demand. A total of 3,243,057 fully paid ordinary shares at \$1.85 each were issued under the SPP on 6 January 2026, with gross proceeds of \$6 million (before share issue costs) received on the same date.

### *Options, Performance Rights and Restricted Stock Units*

On 2 July 2025, the Company granted the following securities:

- 450,122 restricted stock units to certain Chilean employees for total cash consideration of \$20; and
- 250,000 performance rights to a member of key management personnel with various vesting conditions.

On 23 July 2025, the Company issued 500,000 ordinary shares following the exercise of 500,000 unquoted options at \$0.40 per share, resulting in proceeds of \$200,000 (before costs).

On 21 August 2025, the Company issued 3,675,163 ordinary shares on the conversion of 3,675,163 performance rights for nil consideration.

On 25 August 2025, the Company issued 250,000 ordinary shares on the conversion of 250,000 performance rights for nil consideration.

On 1 October 2025, 99,999 performance rights were forfeited upon resignation of one of the directors. The Company also issued 1,850,000 fully paid ordinary shares following the exercise of 1,000,000 unquoted options at \$0.40 each and 850,000 unquoted options at \$0.20 each, resulting in total proceeds of \$570,000 (before costs).

On 8 October 2025, the Company granted 200,000 performance rights to an employee with various vesting conditions.

On 14 October 2025, the Company issued 425,538 fully paid ordinary shares as a result of the cashless exercise of a total of 500,000 unquoted options at the fair value of approximately \$2.01 per share.

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## DIRECTORS' REPORT

On 15 December 2025, the Company issued 1,400,000 fully paid ordinary shares on the conversion of 1,000,000 performance rights for nil consideration and 400,000 unquoted options at \$0.40 each, resulting to proceeds of \$160,000 (before costs).

On 15 December 2025, the Company issued 300,000 performance rights to a director following receipt of shareholder approval on 26 November 2025. These performance rights are subject to various vesting conditions.

### ***Board and Management Changes***

On 31 July 2025, Andrew Bickley resigned as Joint Company Secretary of the Company.

On 1 October 2025, Ms Jessie Liu-Ernsting was appointed as Non-Executive Director. Ms Liu-Ernsting is a highly credentialed resources executive and engineer with 20 years of experience in the mining industry. On the same date, Patrick Gowans resigned from his position as a Non-Executive Director of Andean.

On 23 February 2026, the Company announced that Chief Financial Officer Mr Matthew Allen had been appointed Chief Executive Officer ("CEO"), while Mr Timothy Laneyrie had transitioned from CEO to a new executive role of Technical Director.

### ***Trading on the OTCQX Market***

On 18 July 2025, the Company's common shares commenced trading on the OTCQX Market under the symbol "ADSLF" giving the Company direct access to investors in North America. OTC trading is non-dilutive to existing shareholders as no new shares are being issued to enable trading to OTCQX.

### ***Change of Financial Year End***

Andean announced on 29 December 2025 that it had resolved to change Andean's and its Australian subsidiaries' financial year end from 30 June to 31 December. The change was made to facilitate better alignment with the Company's Chilean exploration activities with financial budgeting and reporting, including timing of the year-end financial audit.

The Company made the change in accordance with section 323D(2A) of the *Corporations Act 2001* (Cth).

## **MATERIAL BUSINESS RISKS**

The following describes the material business risks that could affect the Group, including any material exposure to economic, environmental and social sustainability risks, and how the Group seeks to manage them.

### ***Future capital requirements and market risks***

As an exploration entity, the Group is not generating net cash flow, meaning it is reliant on raising funds from investors or lenders in order to continue to fund its operations and to scale growth. The Group will require further funding in the future.

The Group is exposed to external market forces that impact on specific commodity prices and overarching market sentiment that may restrict the Group's access to new flows of capital if the Group's project pipeline is not ascribed value in the market at any given time. The Group manages this risk by ensuring a constant focus on the Group's current financial position and forecast working capital requirements. Discretionary exploration activities are focused on commodities and in jurisdictions that will ensure access to higher levels of capital in times of broader market depression.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Group's operations and business strategy. Debt financing (while not currently a focus), if available, may involve restrictions on financing and operating activities.

## DIRECTORS' REPORT

Although the Group believes that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Group or at all. If the Group is unable to obtain additional financing as needed, the Group may be required to reduce the scope of its activities, which could have a material adverse effect on the Group's activities and could affect the Group's ability to continue as a going concern.

### ***Commodity prices volatility and exchange rates***

Commodity prices fluctuate according to changes in demand and supply. The Group is exposed to changes in commodity prices which could affect the profitability of the Group's projects. Significant adverse movements in commodity prices could also affect the ability to raise debt and equity to fund exploration and development of its projects. The Group will be exposed to changes in the US Dollar, Australian Dollar and Chilean Peso.

### ***Exploration and development risks***

The prospects of the Group's projects must be considered in light of the considerable risks, expenses and difficulties frequently encountered by companies in the early stage of exploration and development activities and, accordingly, carries significant exploration risk.

Potential investors should understand that mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Group may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, First Nations process, changing government regulations and many other factors beyond the control of the Group.

The success of the Group will also depend upon the Group having access to sufficient development capital, being able to maintain title to its Projects and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of the Group and possible relinquishment of part or all of its projects.

### ***Mineral Resource Estimates***

The Group's Mineral Resources are estimates and no assurance can be given that the estimated resources are accurate or that the indicated level of silver, gold or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any part, or all, of the Group's Mineral Resource Estimates constitute or will be converted into Ore Reserves. Market price fluctuations of silver and gold, as well as increased production and capital costs may render the Group's Mineral Resource Estimates containing relatively lower grade mineralisation uneconomic. Estimated reserves may have to be re-estimated based on actual production experience. Any of these factors may require the Group to reduce its Mineral Resource Estimates, which could have a negative impact on the Group's financial results.

### ***Mining risks and insurance risks***

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial incidents, unusual or unexpected geological conditions, unavailability of materials and equipment, pit wall failures, rock bursts, seismic events, cave-ins, and weather conditions (including flooding and bush fires), most of which are beyond the Group's control.



## DIRECTORS' REPORT

**ANDEAN**  
S I L V E R

These risks and hazards could result in significant costs or delays that could have a material adverse effect on the Group's financial performance, liquidity and results of operation. The Group maintains insurance to cover the most common of these risks and hazards. The insurance is maintained in amounts that are considered reasonable depending on the circumstances surrounding each identified risk. However, property, liability and other insurance that is available may not provide sufficient coverage for losses related to these or other risks or hazards or may not be available at all.

### ***Risks of operating in another country***

The Group's Cerro Bayo Project is located in Chile. The Group's operations are therefore subject to the laws and regulations of Chile. Exploration, development and mining activities may be affected by political instability and changes to government regulations relating to the mining industry and foreign investment. Adverse changes in these regulations may negatively affect the Group's growth plans and strategy. Operations may also be affected by changes to mining laws, environmental laws, employment laws, income and other taxes and exchange controls.

### ***Evolving regulatory environment***

The risk of failing to adapt and adhere to the complex and rapidly evolving regulatory environments in Australia, Chile and other jurisdictions that the Group may have implications in the future. This can result in the increased complexity and cost of doing business and the risk of forfeiture of exploration and mining claims from the failure of complying with complex regulatory environments. The Group's development operations and exploration activities are subject to extensive and constantly evolving laws and regulations governing the protection and management of worker health and safety, the environment, water management, waste disposal, mine development and rehabilitation and the protection of cultural heritage and endangered and other special status species. Regulatory changes may have an adverse impact on the financial performance and/or financial position of the Group. The Group's risk management strategy is designed to monitor and limit the adverse consequences of existing and new regulations in a way that is efficient and minimises compliance costs.

### ***Tenure, access and grant of licences / permits***

The Group's operations are subject to it obtaining and maintaining the necessary titles, permits, authorisations and licences from appropriate governmental authorities, as well as securing appropriate land access arrangements (including those providing for consent or compensation requirements) with the local community and other third party stakeholders, which authorise its operations under the relevant law ("Authorisations"). Delays and/or unforeseen costs in respect of obtaining necessary Authorisations may adversely impact the Group's exploration activities or development operations. New or additional Authorisations may be required due to changes to the Group's proposed operations, or changes to the relevant law or government enforcement policy. There is no assurance that the Group will be able to acquire or maintain all Authorisations necessary to develop or continue operating at any particular project. Authorisations held by the Group may also be subject to challenge by third parties which, if successful, could impact on the Group's operations.

### ***Community relations and reputational risks***

The mining industry in general is subject to potential community relations related risks which may result in a disruption to activities and delay the approval timelines for key development activities. The Company's host communities are supportive of mining in general, and the associated employment and flow-on economic benefits specifically that are likely to flow to local and regional businesses and the general uplifting of the area. Similarly, the Company is committed to community upliftment and regional growth through effective partnerships with all local stakeholders in the regions where it has mining operations. The Group recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfaction and reputational loss which has the potential to disrupt the Group's operations and/or impact financial performance.

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# DIRECTORS' REPORT



## ***Health and safety***

Mining operations inherently involve risks related to equipment failures, accidents and geological challenges. These risks, along with health crises such as pandemics, can disrupt the Group's operations and pose risks to the Group's workforce. The Group has implemented a range of health and safety related initiatives at its operations to manage and support the health and safety of its employee and contractors. Despite this, there is no guarantee that such measures will eliminate the occurrence of accidents or other incidents which may result in personal injury or damage to property and in certain circumstances such occurrences could give rise to regulatory fines and/or civil liability.

## ***Environment risks***

The Group's exploration and mine development operations have an impact on the environment and are subject to various environmental risks including those associated with legal compliance, land and biodiversity, nature reservations and parks, water, tailings, rehabilitation and mine closure. The Group's operations are subject to the respective environmental laws and regulations of Chile and Australia linked to the underlying tenement jurisdiction. Failure to comply with environmental laws and regulations or appropriately manage environmental risks can lead to fines, legal liabilities, forfeiture of titles and reputational damage. Similarly, delays in obtaining, or failure to obtain, related environmental permits and approvals may adversely impact the Group. There is also a risk that new environmental laws, regulations or stricter enforcement policies may be implemented in the future which could negatively impact the Group.

## ***Data management***

There are risks associated with retaining or managing the Company's corporate data in a way that is inconsistent with the Group's regulatory obligations. This is considered to be a growing risk as the Group and related data volumes grow and cyber-security threats become more sophisticated. Failure to properly manage the Group's corporate data could result in significant financial, operational and/or regulatory implications. The Group has implemented a number of company-wide controls to mitigate this risk, including the continuous review and updating of security controls on the Group's network based on known security threats and the latest intelligence.

## ***People capability***

The Group is currently reliant on the Board and key management personnel and expects in the future to continue to rely on those personnel. The loss of one or more of these current key contributors or an inability to source a sufficient number of appropriately experienced consultants could have an adverse impact on the business of the Group. The intention of the Group's remuneration framework is to ensure remuneration and reward structures are aligned with shareholders' interests by being market competitive to attract and retain high calibre individuals, rewarding superior individual performance, recognising the contribution of each executive to the continued growth and success of the Group, and linking long-term incentives to shareholder value.

## ***Climate change***

There are a number of climate-related factors that may affect the Group's business. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the ability of the Group to access and utilise its tenements and therefore the Group's ability to carry out operations. Changes in policy, technological innovation, and consumer or investor preferences could adversely impact the Group's business strategy, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

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# DIRECTORS' REPORT



## *Unforeseen expenditure risk*

The Group's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Group. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure forecasts of the Group are likely to be adversely affected.

## *General economic climate*

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Group's future income, asset values and share price can be affected by these factors.

## SHARE OPTIONS

As at the date of this report, the Company has no options on issue.

## PERFORMANCE RIGHTS

Details of performance rights ("PR") on issue as at the date of this report are as follows:

PR ID	Expiry Date	Number
PRG	01-06-2028	33,334
PRL	19-02-2029	1,491,667
PRM	19-02-2029	1,491,667
PRN	19-02-2029	1,541,667
PRR	30-04-2029	1,000,000
PRS	30-04-2029	500,000
PRT	30-04-2029	500,000
PRU	30-04-2029	1,000,000
PRV	01-04-2029	750,000
PRW	01-09-2029	165,000
PRX	31-12-2028	2,075,000
PRY	31-12-2028	2,075,000
PRZ	31-12-2028	1,500,000
PRAA	31-12-2028	526,666
PRAB	31-12-2028	576,666
PRAC	31-12-2028	576,668
PRAD	30-06-2029	50,000
PRAE	30-06-2029	50,000
PRAF	31-12-2030	100,000
PRAG	31-12-2030	100,000
PRAH	31-12-2030	100,000
PRAI	06-03-2031	166,666
PRAJ	06-03-2031	166,667
PRAK	06-03-2031	166,667
<b>Total</b>		<b>16,703,335</b>

No person entitled to exercise the performance rights had or has any right, by virtue of the performance rights, to participate in any share issue of the Company or of any other body corporate.

# DIRECTORS' REPORT



## SHARES UNDER RESTRICTED STOCK UNITS

Details of restricted stock units on issue as at the date of this report are as follows:

RSU ID	Expiry Date	Number
RSA	31-12-2028	316,706
RSB	31-12-2028	316,708
RSC	31-12-2028	316,708
<b>Total</b>		<b>950,122</b>

No person entitled to exercise the restricted stock units had or has any right, by virtue of the restricted stock units, to participate in any share issue of the Company or of any other body corporate.

## SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of Andean were issued on the exercise of options from 1 July 2025 to the date of this report:

Option ID	Exercise price	Number
OPT1	\$0.20	225,179
OPT2	\$0.40	700,359
OPT3	\$0.40	850,000
OPT4	\$0.20	850,000
OPT5	\$0.40	1,850,000
		<b>4,475,538</b>

## SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

From 1 July 2025 to the date of this report, 4,958,496 fully paid ordinary shares in Andean have been issued on the exercise of performance rights at a \$nil exercise price. A further 99,999 performance rights were forfeited during the current reporting period.

## SHARES ISSUED ON THE EXERCISE OF RESTRICTED STOCKS UNITS

No Andean shares were issued on the exercise of restricted stocks unit from 1 July 2025 to the date of this report.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group will continue to advance the exploration and evaluation of the Cerro Bayo Project.

## SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 5 January 2026 the Company issued 450,000 fully paid ordinary shares upon the exercise of 450,000 unquoted options at \$0.40 each. Proceeds from the exercise of options of \$180,000 (before costs) were received in December 2025.

On 6 January 2026, the Company issued 3,243,057 fully paid ordinary shares under the SPP, resulting in proceeds of \$6 million (before share issue costs).

On 12 February 2026, the Company issued 850,000 fully paid ordinary shares upon the exercise of 850,000 unquoted options at \$0.40 each resulting to proceeds of \$340,000 (before costs). The Company also issued 33,333 fully paid ordinary shares on the same date upon conversion of 33,333 performance rights at nil consideration.

On 23 February 2026, the Company announced that Chief Financial Officer Mr Matthew Allen had been appointed Chief Executive Officer ("CEO"), while Mr Timothy Laneyrie transitioned from CEO to a new executive role of Technical Director.

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## DIRECTORS' REPORT

On 6 March 2026, the Company issued 500,000 performance rights to Mr Allen subject to various vesting conditions.

There were no other matters or circumstances that have arisen since the end of the transitional year ended 31 December 2025 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.

### ENVIRONMENTAL REGULATION

The Group is aware of its environmental obligations in relation to its exploration activities and continues to operate in full compliance with applicable regulatory requirement. A structured environmental monitoring framework, aligned with existing environmental authorisations, is in place and include periodic reporting to the relevant authorities.

The Board acknowledges historic non-compliance issues attributable to previous operators and has implemented comprehensive improvement measures to address all identified matters. An Environmental Compliance Program was submitted to the environmental authority (SMA) and subsequently approved, resulting in suspension of the sanctioning procedure subject to full and timely execution of the committed actions. The approval confirms that the measures are adequate, effective and verifiable with no significant environmental damage identified.

The Directors are satisfied that the Group maintains appropriate systems and controls to meet its ongoing environmental responsibilities.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* (Cth) for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is lack of good faith.

During the transitional year ended 31 December 2025, the Group paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts for Current Directors and Officers. The insurance premiums relate to costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain personal advantage.

The terms of the policy prevent disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

### INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the transitional financial year ended 31 December 2025, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During TY2025, the Company has not paid a premium in respect of a contract to insure the auditor of the Company of any related entity.

### CORPORATE GOVERNANCE

The Directors of Andean Silver Limited are responsible for the corporate governance of the Company and have applied ASX Corporate Governance Principles in a manner that is appropriate to the Company's circumstances. The Company's corporate governance statement is available on the Company's website at [www.andeansilver.com](http://www.andeansilver.com).

## DIRECTORS' REPORT

### NON-AUDIT SERVICES

Details of the amount paid or payable to the auditor's audit services provided during the year are disclosed in Note 8 to the consolidated financial statements. There were no non-audit services provided by the auditor during the reporting period.

### AUDITOR'S INDEPENDENCE DECLARATION

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

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# REMUNERATION REPORT - AUDITED



## 1. LETTER FROM THE CHAIRMAN

On behalf of the Board, I am pleased to present the Remuneration Report of Andean Silver Limited (the “Company”) for the transitional year ended 31 December 2025 (“TY2025”).

During the financial year ended 30 June 2025, the Company’s remuneration practices and disclosures were subject to increased scrutiny from proxy advisers and certain shareholders resulting from the successful rerating of the Company’s share price and material growth in market capitalisation. Themes raised included vesting horizons, change-of-control treatment, performance linkage, equity quantum and dilution governance, disclosure clarity and Non-Executive Director equity participation.

During TY2025, the Board undertook a comprehensive review of remuneration governance and disclosure. While the overall structure of the Company’s incentive arrangements remain broadly appropriate for a development-stage mineral exploration company, the framework has been more clearly articulated through three defined pillars — Internal Project Success, External Market Performance, and Capability & Retention — to enhance transparency, governance alignment and pay-for-performance clarity.

As a pre-revenue mineral developer, value creation is achieved through defined de-risking milestones that are ultimately validated through sustained shareholder return over time. The revised presentation of the framework reflects this delivery model.

The TY2025 Remuneration Report strengthens disclosure of key governance settings, including:

- » clearer articulation of the vesting and testing framework applying to Variable Remuneration awards,
- » a defined change-of-control determination approach under the Plan Rules, and
- » consolidated equity quantum and dilution governance disclosure, including overhang monitoring and transparency around potential dilution.

The Board intends to establish a formal Remuneration Committee for the calendar year 2026 to further enhance oversight as the Company evolves.

The Board remains committed to remuneration practices that support long-term shareholder value creation, reinforce capital discipline and maintain leadership continuity through the Company’s development phase.

On behalf of the Board, I thank shareholders for their continued engagement and support.

Yours sincerely,

**David Southam**  
**Non-Executive Chairman**

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## REMUNERATION REPORT - AUDITED

**ANDEAN**  
S I L V E R

### 2. ABOUT THIS REPORT AND DOCUMENT HIERARCHY

This Remuneration Report, which forms part of the Directors' Report of Andean Silver Limited (the "Company"), sets out the information on the remuneration of the Key Management Personnel ("KMP") of the Company for the transitional year ended 31 December 2025. The information has been prepared in accordance with section 300A of the *Corporations Act 2001* (Cth) (the "Act") and its Regulations. The information has been audited as required by section 308(3C) of the Act.

KMP are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Company and Group, directly or indirectly including any Director (whether executive or otherwise) of the Company.

The table below sets out the KMP of the Group and their movements for the TY2025. Unless otherwise indicated, the individuals were KMP for the entire TY2025.

#### Non-Executive Directors

David Southam	Non-Executive Chairman
Ray Shorrocks	Non-Executive Director
Carl Travaglini	Non-Executive Director
Jessie Liu-Ernsting	Non-Executive Director (Appointed on 1 October 2025)
Patrick Gowans	Non-Executive Director (Resigned on 1 October 2025)

#### Executives

Timothy Laneyrie	Chief Executive Officer ("CEO")
Damien Koerber	Chief Operating Officer - Americas ("COO")
Matthew Allen	Chief Financial Officer ("CFO")

This Remuneration Report describes the Company's remuneration governance and decision-making, the remuneration policy applying to Non-Executive Directors ("NEDs") and Executive KMP, the design of Variable Pay (equity based) and its alignment to shareholder outcomes, and remuneration outcomes and related KMP disclosures for TY2025.

This Remuneration Report provides a summary of plan settings and governance practices only. The grant, testing, vesting and settlement of equity awards are governed by the applicable EISP Rules and individual offer documentation. Where required disclosures are audited, this is identified in the report and cross-referenced to the relevant notes in the financial statements.

In the event of any inconsistency, the following documents apply in order of precedence:

1. the individual offer / invitation documentation (including specific performance conditions, measurement methodology and test dates);
2. the Employee Incentive Securities Plan ("EISP") Rules (and any shareholder approved amendments); and
3. this Remuneration Report (disclosure and explanation).

### 3. REMUNERATION GOVERNANCE

#### 3.1 Governance structure during TY2025

During TY2025, responsibility for remuneration policy, plan oversight and remuneration outcomes remained with the Board as a whole. In the absence of a standalone Remuneration Committee during TY2025, the Board performed the functions typically delegated to such a committee, including reviewing remuneration policy settings, approving equity-based Variable Pay grants, and overseeing governance safeguards.

# REMUNERATION REPORT - AUDITED



Directors did not participate in deliberations or decisions relating to their own remuneration. Where a matter involved a related party consideration or potential conflict of interest, the relevant Director abstained from discussion and decision-making in accordance with statutory and fiduciary obligations and the Company's governance policies.

No remuneration consultant provided a formal remuneration recommendation during TY2025.

### **3.2 Risk management, discretion, malus and clawback**

The Board retains discretion (within the EISP Rules, applicable law and contractual terms) to ensure Variable Pay outcomes remain appropriate and aligned with shareholder interests, including the ability to reduce, forfeit or cancel unvested awards where warranted. The framework includes malus and clawback settings, including the ability to cancel unvested awards and, where legally enforceable, recover value in circumstances such as serious misconduct, material misstatement, or other integrity-related matters determined by the Board to justify adjustment.

### **3.3 Securities dealing and hedging**

NEDs and Executive KMP must comply with the Company's Securities Trading Policy. Hedging or otherwise limiting the economic exposure to unvested or restricted equity is prohibited.

### **3.4 Establishment of a Remuneration Committee from Calendar Year 2026 (CY2026)**

For CY2026, the Board intends to establish a formal Remuneration Committee operating under a written charter approved by the Board. The Committee will comprise a majority of independent Non-Executive Directors and will make recommendations to the Board. Consistent with good governance practice, the Chair of the Board will not chair the Committee. The Board will retain ultimate responsibility for remuneration policy and outcomes.

## **4. REMUNERATION FRAMEWORK**

The remuneration framework for Executive KMP comprises two elements only:

- Total Fixed Remuneration ("TFR"); and
- Variable Remuneration (equity-based, multi-year).

### **4.1 Total Fixed Remuneration ("TFR")**

TFR is the fixed component of remuneration and typically comprises base salary, statutory superannuation and standard benefits where applicable. TFR is determined having regard to role scope and accountability, market conditions for comparable roles, internal relativities, retention considerations, and the Company's stage of development and capital discipline. In setting TFR, the Company has generally been positioned conservatively relative to broader market practice reflecting the Company's desire to conserve cash during the initial stages of development, with a greater emphasis on variable remuneration to align incentives with performance and value creation.

### **4.2 Variable Remuneration (equity based)**

Variable remuneration for Executive KMP is primarily delivered through equity instruments (typically Performance Rights) to align executive outcomes with shareholder outcomes over medium to long term. Equity-based incentives are intended to support the delivery of key project milestones that progress and de-risk the Company's asset base, while also supporting retention of critical capability through key development periods.

Variable remuneration opportunities are at the discretion of the Board and are issued under the Company's Employee Incentive Securities Plan. Awards may incorporate a combination of short, medium and long-term incentives depending on the nature of the role, performance objectives and the Company's strategic priorities.

## REMUNERATION REPORT - AUDITED



Equity-based awards are accounted for in accordance with AASB 2 *Share-based payments*, with the fair value of awards measured at grant date and expensed over the relevant vesting period.

**Table 1: Executive remuneration structure at a glance**

Component	Delivery	Purpose	Performance Period / Vesting
Total Fixed Remuneration (TFR)	Cash salary + superannuation + standard benefits	Provide TFR reflecting role scope and accountability; support attraction and retention	Not applicable
Variable Remuneration (equity based)	Performance Rights (equity settled)	Long-term alignment; milestone delivery; retention through critical delivery windows	Minimum 3 years from grant (refer Section 5)

### *Long-term incentive ("LTI")*

Consistent with the Company's remuneration framework, LTI awards are considered annually as part of the Board's remuneration review process. The quantum of any award is determined at the discretion of the Board each year. While LTI forms part of the Company's ongoing remuneration structure, grants are not automatic entitlements and may vary in amount, or may not be made in a particular year, having regard to performance, role requirements, shareholder considerations and available equity plan capacity.

LTI awards are typically delivered through equity instruments to align executive outcomes with long-term shareholder value creation. Awards are generally subject to a multi-year performance and/or vesting period, which represents the timeframe over which performance conditions are assessed for the relevant grant.

Given the discretionary and variable nature of the LTI awards, the Company does not maintain a fixed policy specifying an annual LTI opportunity. For the purposes of disclosure and external benchmarking comparability, the Company presents a "**Normalised annualised LTI rate (benchmarking only)**", calculated as the three-year average of actual LTI grants (including years in which no grant was made), expressed as a percentage of base salary.

This measure is provided solely to assist shareholders in understanding the relative scale of long-term incentives over time and should not be interpreted as a target LTI opportunity, formal policy, or an indication that LTI awards will be made annually.

**Table 2: Normalised Annualised LTI rate (benchmarking only)**

Executive KMP	Base salary	Normalised Annualised LTI (\$)	Normalised Annualised LTI (%)
CEO	\$320,000	\$700,811	219%
CFO	\$300,000	\$216,370	72%
COO	\$280,000	\$188,378	67%

The Board notes that the CEO's normalised annualised LTI reflects the Company's approach in delivering a greater proportion of executive remuneration in equity-based incentives rather than fixed cash remuneration. This is consistent with the Company's status as a development-stage, pre-revenue business, where fixed remuneration has been positioned conservatively and a greater proportion of remuneration has been delivered through equity-based and other variable incentives.

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## 4.3 Once-off bonuses

The Company does not operate a formal annual cash bonus plan, due to its exploration and pre-development stage. Consistent with prior disclosure, the Board retains discretion to approve a one-off cash bonus in exceptional circumstances (for example, where a discrete, non-recurring outcome is achieved that is demonstrably in shareholders' interests) and having regard to specific additional expectations of the Executive KMP. Any such award would be subject to Board approval, considered in the context of the Company's development stage and capital position, and disclosed transparently in the year it is granted or paid.

For TY2025, the Board approved the payment of cash bonus of \$32,000 (exclusive of statutory superannuation) to the COO in recognition of his achievements and contribution over the FY24/25 financial years. The Board considered the contribution to be discrete, non-recurring and supportive of shareholder interests.

## 5. VARIABLE REMUNERATION DESIGN

Variable remuneration is delivered under the EISP.

### 5.1 Instruments and key features

Variable remuneration is generally delivered as Performance Rights over ordinary shares, issued for nil consideration. Unvested rights do not carry dividend or voting entitlements. Subject to satisfaction of applicable conditions, vested rights convert into ordinary shares in accordance with the EISP Rules and the relevant offer documentation.

### 5.2 Eligibility and participation

Participation is at the discretion of the Board and is offered to Executive KMP and other roles considered critical to delivery of Company strategy.

Non-Executive Directors do not participate in executive Variable remuneration arrangements. Any NED equity arrangements (including legacy arrangements approved in prior years) are disclosed separately in Section 9.

### 5.3 Integrated variable remuneration architecture

The Company's executive variable remuneration framework is structured as a single integrated long-term incentive architecture built around three complementary pillars.

The majority of the variable remuneration opportunity is long-term in nature. This reflects the Company's development profile and the multi-year nature of value creation within its asset based.

The pillars operate as an integrated structure rather than as standalone tests:

- Pillar 1 tests what is delivered;
- Pillar 2 tests whether delivery created sustained shareholder value and
- Pillar 3 tests whether the executive remained accountable throughout the performance period.

While the framework is integrated at an overall design level, individual awards may be structured in one or more tranches, with each tranche reflecting one or more elements of that framework.

**Table 3: Three Pillars Variable Remuneration Structure (how the design operates)**

Pillar	What it is intended to drive	How it is reflected in Variable Pay design
Internal Project Success	Delivery of objectively defined project milestones	Internal milestone condition(s) set at grant (Table 4). Measures progress against defined technical and strategic milestones that de-risk the Company's asset base and support long-term value creation
External Market Performance	Sustained shareholder value recognition	Market-based condition set at grant (e.g., defined VWAP/share price hurdle and/or TSR-style measure) (Table 4)
Capability & Retention	Executive accountability and leadership continuity through defined delivery phases	Service-based vesting gateway and/or conditional retention settings (typically 24-36 months) where determined appropriate by the Board. Retention settings are not guaranteed and are determined having regard to market conditions, economic environment and skill scarcity at the time of grant and operate in conjunction with performance testing under Pillars 1 and 2 (Table 4).

## 5.4 Performance conditions and vesting terms

The specific performance conditions, measurement periods, testing methodology and vesting dates applicable to awards granted during the TY2025 are set out in Table 4.

As a policy setting, TY2025 Variable remuneration awards are structured to operate over a multi-year period. The specific performance-periods, testing dates and vesting dates are determined by the Board at the time of grant and are set out in the relevant grant documentation and this Report.

- **Internal Project Success conditions** are objectively defined at grant and tested against documented deliverables at specified dates.
- **External Market Performance conditions** are assessed over defined measurement windows to mitigate short-term volatility and avoid vesting based on single-day share price movements.
- **Capability and Retention conditions** are defined at grant and are intended to recognise executive capability, accountability and retention throughout the relevant delivery periods.
- **Vesting** occurs in accordance with the terms of the applicable grant and the EISP Rules.

## 5.5 Re-testing

Performance conditions are tested once in accordance with the EISP Rules and the relevant offer documentation unless expressly permitted and disclosed.

## 5.6 Plan-level gateway and Board discretion

The EISP Rules provide the Board with discretion to ensure outcomes remain appropriate, including the ability to reduce vesting outcomes (including to zero) where there has been a material failure of conduct, safety, compliance, risk management or other integrity matters.

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## REMUNERATION REPORT - AUDITED

**Table 4: Performance conditions and testing (TY2025)**

Grant date	No. of Performance Rights	KMP	Internal Project Success condition	External Market Performance condition	Service requirement (gateway)	Test date	Vesting date
2/7/25	83,333	Damien Koerber – COO	-	The Company's shares achieving a 20-Day VWAP of \$1.60 or greater.	Continuous employment with the Company until 31/12/27	On or prior to 31 December 2027	≥ 2 years from grant and in accordance with the terms of the relevant grant and the EISP Rules.
2/7/25	83,333	Damien Koerber – COO	Company announcing a JORC Code compliant total Mineral Resource of at least 130Moz at a grade of not less than 180g/t silver equivalent	-	Continuous employment with the Company until 31/12/27	On or prior to 31 December 2027	≥ 2 years from grant and in accordance with the terms of the relevant grant and the EISP Rules.
2/7/25	83,334	Damien Koerber – COO	Company announcing a successful study (scoping study, prefeasibility study or definitive feasibility study) in accordance with the JORC Code	-	Continuous employment with the Company until 31/12/27	On or prior to 31 December 2027	≥ 2 years from grant and in accordance with the terms of the relevant grant and the EISP Rules.

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## REMUNERATION REPORT - AUDITED

### 6. EQUITY QUANTUM AND DILUTION GOVERNANCE

The Board recognises that both equity remuneration and capital management decisions can affect shareholder dilution and treats equity usage as a core governance responsibility.

Before approving equity-based Variable Pay grants, the Board considers:

- award quantum relative to issued capital;
- aggregate unvested equity on issue (equity overhang);
- estimated maximum potential dilution assuming full vesting of unvested awards; and
- the cumulative impact of equity remuneration and recent capital raisings.

Equity grants are sized having regard to the Company's market capitalisation, stage of development and capital position.

Dilution arises only on vesting and conversion. Where performance conditions are not satisfied, awards lapse and no dilution occurs.

The Board monitors equity overhang and potential dilution on an ongoing basis and reviews grant sizing in the context of the Company's overall equity usage.

The Board retains discretion to reduce grant size where cumulative dilution is considered excessive relative to the Company's capital profile.

#### 6.1 Capital management interface

The Board considers the interaction between equity remuneration and broader capital management practices.

In connection with capital raisings, and where practicable for material transactions, the Board seeks to consider mechanisms that enable existing shareholders to participate (for example, share purchase plans and/or pro-rata structures), having regard to timing, cost, transaction certainty and market conditions.

The Board also considers cumulative dilution arising from both incentive equity and capital raisings in assessing overall equity discipline.

**Table 5: Equity overhang and dilution summary (TY2025)**

Item	Number of performance rights
Opening unvested performance rights – 1 July 2025	5,850,000
Granted	250,000
Vested	-
Exercised	(250,000)
Lapsed/forfeited	-
<b>Closing unvested performance rights – 31 December 2025</b>	<b>5,850,000</b>

Table 5 summarises the movement in unvested equity instruments of Executive KMP during TY2025 and reconciles the opening balance to the closing balance on 31 December 2025. Table 6 then presents the closing unvested position as a percentage of shares on issue, including the resulting equity overhang and the estimated maximum potential dilution if all unvested awards were to vest.

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# REMUNERATION REPORT - AUDITED



Table 6: Equity overhang as a percentage of issued capital (TY2025)

Metric	Value
Ordinary shares on issue on 31 December 2025	208,090,673
Closing unvested performance rights on 31 December 2025	5,850,000
Equity overhang (% of shares on issue)	2.81%
Estimated maximum dilution if all unvested awards vested	2.73%
Board overhang tolerance/limit (% of shares on issue)	2.81%
Board maximum potential dilution tolerance/limit	2.96%
Shareholder approved plan limit	20,000,000

## 7. TY2025 REMUNERATION OUTCOMES

### 7.1 Overview

In TY2025, remuneration outcomes for Executive KMP comprised TFR and Variable Remuneration only, other than a one-off cash bonus approved for the COO. That bonus amounted to \$32,000 and was approved by the Board as an exceptional and non-recurring payment.

### 7.2 KMP remuneration disclosure

The remuneration details of the Executive KMP for the transitional year ended 31 December 2025 and financial year ended 30 June 2025 are set out below.

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**ANDEAN**  
S I L V E R

Table 7: Executive KMP remuneration

Transitional Year Ended 31 December 2025	Short-term benefits				Post-employment benefits	Share-based payments		Total	Linked to performance
	Salaries and fees	Cash bonus	Consultancy fees	Leave movement	Super-annuation	Options	Performance rights		
	\$	\$	\$	\$	\$	\$	\$		
Timothy Laneyrie (CEO)	160,000	-	-	9,846	19,200	-	307,487	<b>496,533</b>	62%
Damien Koerber (COO)	146,704	32,000	-	8,616	22,562	-	102,934	<b>312,816</b>	33%
Matthew Allen (CFO)	150,000	-	-	2,308	18,000	-	107,118	<b>277,426</b>	39%
<b>Total</b>	<b>456,704</b>	<b>32,000</b>	-	<b>20,770</b>	<b>59,762</b>	-	<b>517,539</b>	<b>1,086,775</b>	<b>48%</b>

Financial Year-ended 30 June 2025	Short-term benefits				Post-employment benefits	Share-based payments		Total	Linked to performance
	Salaries and fees	Cash bonus	Consultancy fees	Leave movement	Super-annuation	Options	Performance rights		
	\$	\$	\$	\$	\$	\$	\$		
Timothy Laneyrie (CEO)	304,500	-	-	13,847	30,000	-	489,115	<b>837,462</b>	58%
Damien Koerber (COO)	250,000	-	-	-	28,750	-	85,777	<b>364,527</b>	24%
Matthew Allen (CFO) <sup>1</sup>	170,952	-	-	12,574	11,308	-	117,015	<b>311,849</b>	38%
<b>Total</b>	<b>725,452</b>	-	-	<b>26,421</b>	<b>70,058</b>	-	<b>691,907</b>	<b>1,513,838</b>	<b>46%</b>

<sup>1</sup>Matthew Allen was appointed as Chief Financial Officer effective 9 December 2024.

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**ANDEAN**  
S I L V E R

### 7.3 Variable Remuneration (equity based) held by Executive KMP

#### Ordinary Shares

The number of shares in the Company held during the transitional year ended 31 December 2025 and financial year ended 30 June 2025 by Executive KMP, including their personally related parties, is set out below:

**Table 8: Ordinary shares held by Executive KMP**

	Balance at 1 July 2025	Exercise of options/ performance rights	Other movements	Held at date of resignation	Balance at 31 December 2025
Timothy Laneyrie	1,255,129	250,000	(400,000)	-	1,105,129
Damien Koerber	-	-	-	-	-
Matthew Allen	-	-	-	-	-
<b>Total</b>	<b>1,255,129</b>	<b>250,000</b>	<b>(400,000)</b>	<b>-</b>	<b>1,105,129</b>

	Balance at 1 July 2024	Exercise of options/ performance rights	Other movements	Held at date of resignation	Balance at 30 June 2025
Timothy Laneyrie	394,018	750,000	111,111	-	1,255,129
Damien Koerber	-	-	-	-	-
Matthew Allen	-	-	-	-	-
<b>Total</b>	<b>394,018</b>	<b>750,000</b>	<b>111,111</b>	<b>-</b>	<b>1,255,129</b>

#### Performance Rights

The number of performance rights over ordinary shares in the Company held during the transitional year ended 31 December 2025 and financial year ended 30 June 2025 by Executive KMP, including their personally related parties, is set out below:

**Table 8A: Performance rights held by Executive KMP**

	Balance at 1 July 2025	Granted	Exercised	Balance at 31 December 2025	Vested and exercisable
Timothy Laneyrie	3,900,000	-	(250,000)	3,650,000	-
Damien Koerber	1,250,000	250,000	-	1,500,000	-
Matthew Allen	700,000	-	-	700,000	-
<b>Total</b>	<b>5,850,000</b>	<b>250,000</b>	<b>(250,000)</b>	<b>5,850,000</b>	<b>-</b>

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## REMUNERATION REPORT - AUDITED

**ANDEAN**  
S I L V E R

	Balance at 1 July 2024	Granted	Exercised	Balance at 30 June 2025	Vested and exercisable
Timothy Laneyrie	3,500,000	1,150,000	(750,000)	3,900,000	250,000
Damien Koerber	1,250,000	-	-	1,250,000	-
Matthew Allen	-	700,000	-	700,000	-
<b>Total</b>	<b>4,150,000</b>	<b>1,850,000</b>	<b>(750,000)</b>	<b>5,850,000</b>	<b>-</b>

250,000 performance rights held by Timothy Laneyrie (CEO) that vested in prior year were converted into ordinary shares in TY2025.

### 7.4 Variable Remuneration (equity based) granted in TY2025

During TY2025, 250,000 performance rights were granted to Damien Koerber (COO). The terms and conditions of each Tranche of performance rights granted during TY2025 affecting remuneration is set out below.

**Table 9: Performance rights granted in TY2025**

PR ID #	Grant date	Expiry date	Vesting conditions	No. of performance rights	Fair value at grant date \$
PRAA	2/07/25	31/12/28	Upon continuous employment with the Company until 31 December 2027 and the Company's shares achieving a 20-Day VWAP of \$1.60 or greater prior to 31 December 2027.	83,333	83,550
PRAB	2/07/25	31/12/28	Upon continuous employment with the Company until 31 December 2027 and the Company announcing a JORC Code compliant total Mineral Resource of at least 130Moz at a grade of not less than 180g/t silver equivalent on or before 31 December 2027.	83,333	85,416
PRAC	2/07/25	31/12/28	Upon continuous employment with the Company until 31 December 2027 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.	83,334	85,417

Post the transitional reporting date, on 6 March 2026, the Company issued 500,000 performance rights to Matthew Allen in connection with his appointment as Chief Executive Officer effective 23 February 2026. Details of the vesting conditions can be found in the ASX Announcement and will be detailed in the 2026 Financial Statements.

### 7.5 Variable remuneration vesting and lapses in TY2025

As at reporting date, no performance rights have vested and/or lapsed.

## 8. CHANGE OF CONTROL TREATMENT

Under the EISP, unvested performance rights are subject to the change-of-control provisions set out in the EISP Rules.

In the event of a change of control (as defined in the EISP Rules), awards may accelerate and vest in accordance with the terms of the relevant grant and the EISP Rules.

The Board considers that this treatment reflects the principle that, in a control transaction, shareholder value is crystallised and executive equity participation aligns with shareholder outcomes.

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In this context, the Board further notes that change-of-control acceleration:

- aligns executive equity outcomes with value realised by shareholders at the transaction point;
- operates within the established EISP framework;
- does not involve separate transaction-based or discretionary payments; and
- conflicted individuals are excluded from deliberations and decisions relating to their own arrangements.

If a change-of-control occurs, the Company will disclose:

- the number of awards affected;
- the treatment applied (vested, lapsed or rolled/ replaced);
- the value realised (where applicable); and
- the basis for the Board's determination under the EISP Rules.

## 9. NON-EXECUTIVE DIRECTOR REMUNERATION

### 9.1 Policy

Non-Executive Directors ("NEDs") receive fixed annual fees (inclusive of statutory superannuation) within the shareholder-approved aggregate fee pool.

NED remuneration is structured to reflect the responsibilities and time commitment of the role while preserving the independence of the Board's oversight function. NEDs do not participate in executive Variable remuneration arrangements.

As a general policy, NED remuneration is delivered as cash fees. In limited circumstances, the Board may determine that equity may be provided in lieu of cash fees. Where equity is provided in lieu of fees, the value of the equity award forms part of, and is not additional to, the relevant director's annual fee entitlement and remains within the shareholder-approved aggregate pool.

The Board may also, in appropriate circumstances, approve one-off equity grants to Non-Executive Directors, including on appointment, to support alignment with shareholders and to recognise the strategic importance of Board capability during key phases of the Company's development. Any such grants are separate from annual NED fees and do not form part of the ongoing fee structure. They are not intended to represent performance-based remuneration and do not create an ongoing entitlement to equity incentives. **The Board does not intend for equity grants to Non-Executive Directors to occur on a regular basis**, other than in the very limited one-off circumstance outlined above. **There was NO equity issuance to existing NEDs during the reporting period.**

Where equity is provided to NEDs (whether in lieu of fees or as a one-off grant), the Board will ensure that structure appropriately aligns directors' interest with those of shareholders while preserving the independence of the Board's oversight function.

The Board considers that the limited use of equity remuneration may be appropriate having regard to the Company's stage of development, including its current pre-revenue position, capital management priorities, the need to attract and retain appropriate Board capability, and the level of strategic and governance workload required during defined development phases.

This approach is not intended to be a permanent feature of the remuneration framework. The Board will continue to review the Non-Executive Director fee structure as the Company matures, with the expectation that the framework will evolve in line with the Company's scale, financial profile and governance requirements.

## REMUNERATION REPORT - AUDITED



### 9.2 Governance and safeguards

Any equity granted to a Non-Executive Director will:

- be granted only where the Board considers it appropriate in the Company's circumstances;
- comply with the ASX Listing Rules and Corporations Act requirements;
- be subject to shareholder approval, where required;
- exclude interested directors from deliberations and decisions relating to their own arrangements, and
- be fully disclosed, including rationale, key terms, vesting conditions and maximum potential value.

The Board does not intend for equity to form a routine or annual component of NED remuneration.

The maximum aggregate amount of fees that can be paid to non-executive directors is currently \$500,000 per annum in accordance with the Company's constitution and as approved by shareholders at the Annual General Meeting held on 23 November 2023.

### 9.3 Service Agreements

Below is the summary of the service agreements with NEDs.

<b>Name</b>	<b>David Southam</b>
<b>Title</b>	Non-Executive Chairman
<b>Agreement commenced</b>	17 April 2024
<b>Term of agreements</b>	Unspecified
<b>Remuneration details</b>	<i>Director Fees</i> <ul style="list-style-type: none"><li>• \$175,000 per annum (inclusive of superannuation) effective from 1 July 2025.</li><li>• \$150,000 per annum (inclusive of superannuation) from 1 October 2024 to 30 June 2025.</li><li>• \$60,000 per annum (inclusive of superannuation) from 17 April 2024 to 30 September 2024, during a period where Mr Southam was a Non-Executive Director, not Chairman</li><li>• Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li><li>• Eligible to participate in the Company's Employee Incentive Securities Plan.</li><li>• Upon ceasing office, the monthly Director Fee and any other Board Committee Fee (if relevant) will be paid on a pro-rata basis to the date of cessation.</li></ul> <i>Consultant</i> <ul style="list-style-type: none"><li>• Consultancy agreement ceased upon his appointment as Non-Executive Chairman effective 1 October 2024. Mr Southam received total consultancy fees of \$15,000 from period 1 July 2024 to 30 September 2024 for additional services to support the CEO with investor relations activities.</li></ul>

## REMUNERATION REPORT - AUDITED



<b>Name</b>	<b>Raymond Shorrocks</b>
<b>Title</b>	Non-Executive Director
<b>Agreement commenced</b>	17 April 2024
<b>Term of agreement</b>	Unspecified
<b>Remuneration details</b>	<p><i>Director Fees</i></p> <ul style="list-style-type: none"> <li>• \$75,000 per annum (inclusive of superannuation) effective 1 July 2025.</li> <li>• \$60,000 per annum (inclusive of superannuation) effective 1 October 2024 to 30 June 2025.</li> <li>• \$120,000 per annum (inclusive of superannuation) effective 17 April 2024 to 31 October 2024 as Non-Executive Chairman.</li> <li>• Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li> <li>• Eligible to participate in the Company's Employee Incentive Securities Plan.</li> <li>• Upon ceasing office, the monthly Director Fee and any other Board Committee Fee (if relevant) will be paid on a pro-rata basis to the date of cessation.</li> </ul> <p><i>Consultant</i></p> <ul style="list-style-type: none"> <li>• Consulting fee of \$30,000 per annum effective from 1 October 2024.</li> <li>• Services defined as management consulting services, including providing advice to the executive team with ongoing management and strategy for projects, assistance with marketing strategy and input into presentations, attendance on an observer basis and other items directed from the Chairman of the Board.</li> <li>• Notice period to terminate is 3 months.</li> </ul>

<b>Name</b>	<b>Carl Travaglini</b>
<b>Title</b>	Non-Executive Director
<b>Agreement commenced</b>	1 October 2023
<b>Term of agreement</b>	Unspecified
<b>Details</b>	<ul style="list-style-type: none"> <li>• Director fee of \$75,000 per annum effective 1 July 2025.</li> <li>• Director fee of \$60,000 per annum from date of appointment to 30 June 2025.</li> <li>• Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li> <li>• Eligible to participate in the Company's Employee Incentive Securities Plan.</li> <li>• Upon ceasing office, the monthly Director Fee and any other Board Committee Fee (if relevant) will be paid on a pro-rata basis to the date of cessation.</li> </ul>

<b>Name</b>	<b>Jessie Liu-Ernsting</b>
<b>Title</b>	Non-Executive Director
<b>Agreement commenced</b>	1 October 2025
<b>Term of agreement</b>	Unspecified
<b>Details</b>	<ul style="list-style-type: none"> <li>• Director fee of \$75,000 per annum effective 1 October 2025.</li> <li>• Eligible to participate in the Company's Employee Incentive Securities Plan.</li> <li>• Upon ceasing office, the monthly Director Fee and any other Board Committee Fee (if relevant) will be paid on a pro-rata basis to the date of cessation.</li> </ul>

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<b>Name</b>	Patrick Gowans
<b>Title</b>	Non-Executive Director
<b>Term of agreement</b>	22 March 2021 to 1 October 2025
<b>Details</b>	<ul style="list-style-type: none"><li>• Director fee of \$75,000 per annum effective 1 July 2025.</li><li>• Director fee of \$60,000 per annum from date of appointment to 30 June 2025.</li><li>• Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li><li>• Eligible to participate in the Company's Employee Incentive Securities Plan.</li><li>• Upon ceasing office, the monthly Director Fee and any other Board Committee Fee (if relevant) will be paid on a pro-rata basis to the date of cessation.</li></ul>

Table 10 summarises the remuneration of NED for the transitional year ended 31 December 2025 and financial year ended 30 June 2025. Where equity has been issued to NEDs under the EISP, the relevant equity instruments are disclosed in Table 10A.

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## REMUNERATION REPORT - AUDITED

**Table 10: NED remuneration**

Transitional Year Ended 31 December 2025	Short-term benefits				Post-employment benefits Super- annuation \$	Share-based payments		Total \$	Linked to performance %
	Salaries and fees \$	Cash bonus \$	Consultancy fees \$	Leave movement \$		Options \$	Performance rights \$		
<b>Non-Executive Chairman</b>									
David Southam	87,500	-	-	-	-	-	438,423	<b>525,923</b>	83%
<b>Non-Executive Directors</b>									
Raymond Shorrocks	33,482	-	13,393	-	5,625	-	54,141	<b>106,641</b>	51%
Carl Travaglini	37,500	-	-	-	-	-	10,827	<b>48,327</b>	22%
Jessie Liu-Ernsting <sup>1</sup>	18,750	-	-	-	-	-	24,288	<b>43,038</b>	56%
Patrick Gowans <sup>1</sup>	18,750	-	-	-	-	-	(2,826)	<b>15,924</b>	-
<b>Total</b>	<b>195,982</b>	-	<b>13,393</b>	-	<b>5,625</b>	-	<b>524,853</b>	<b>739,853</b>	<b>33%</b>

<sup>1</sup> Ms Liu-Ernsting was appointed as a Non-Executive Director on 1 October 2025. On the same date, Mr Gowans resigned from his position as Non-Executive Director.

Financial Year Ended 30 June 2025	Short-term benefits				Post-employment benefits Super- annuation \$	Share-based payments		Total \$	Linked to performance %
	Salaries and fees \$	Cash bonus \$	Consultancy fees \$	Leave movement \$		Options \$	Performance rights \$		
<b>Non-Executive Chairman</b>									
David Southam <sup>1</sup>	115,822	-	15,000	-	11,882	-	608,581	<b>751,285</b>	81%
<b>Non-Executive Directors</b>									
Raymond Shorrocks <sup>2</sup>	67,265	-	20,179	-	10,056	-	107,403	<b>204,903</b>	52%
Carl Travaglini	60,000	-	-	-	-	-	21,480	<b>81,480</b>	26%
Patrick Gowans	60,000	-	-	-	-	-	23,979	<b>83,979</b>	29%
<b>Total</b>	<b>303,087</b>	-	<b>35,179</b>	-	<b>21,938</b>	-	<b>761,443</b>	<b>1,121,647</b>	<b>68%</b>

<sup>1</sup> David Southam (“DS”) transitioned from Non-Executive Director to Non-Executive Chairman effective 1 October 2024. DS received additional consultancy fees of \$15,000 for his capital management marketing services outside of his role as NED. The consultancy agreement ceased upon his appointment as Non-Executive Chairman.

<sup>2</sup> Raymond Shorrocks (“RS”) transitioned from Non-Executive Chairman to Non-Executive Director effective 1 October 2024. Following his transition to NED, the Company also appointed RS as a consultant to the Company providing advice to the executive team regarding ongoing management and strategy for projects and assistance with marketing strategy. The annual consultancy fee has been agreed at \$30,000 (inclusive of superannuation).



## REMUNERATION REPORT - AUDITED

**ANDEAN**  
S I L V E R

**Table 10A: Equity instruments held by NEDs**

### Ordinary Shares

The number of shares in the Company held during the transitional year ended 31 December 2025 and financial year ended 30 June 2025 by NEDs, including their personally related parties, is set out below:

Transitional Year Ended 31 December 2025	Balance at 1 July 2025	Exercise of options/ performance rights	Other movements	Held at date of resignation	Balance at 31 December 2025
David Southam	253,969	-	(140,000)	-	113,969
Raymond Shorrocks	2,757,143	-	(270,000)	-	2,487,143
Carl Travaglini	185,714	-	-	-	185,714
Jessie Liu-Ernsting <sup>1</sup>	-	-	-	-	-
Patrick Gowans <sup>1</sup>	605,158	-	-	605,158	-
<b>Total</b>	<b>3,801,984</b>	<b>425,538</b>	<b>(560,538)</b>	<b>880,158</b>	<b>2,786,826</b>

<sup>1</sup>Ms Liu-Ernsting was appointed as a Non-Executive Director on 1 October 2025. On the same date, Mr Gowans resigned from his position as Non-Executive Director.

Financial Year Ended 30 June 2025	Balance at 1 July 2024	Exercise of options/ performance rights	Other movements	Held at date of resignation	Balance at 30 June 2025
David Southam <sup>1</sup>	142,857	-	111,112	-	253,969
Raymond Shorrocks <sup>2</sup>	607,143	2,000,000	150,000	-	2,757,143
Carl Travaglini	185,714	-	-	-	185,714
Patrick Gowans	560,713	-	44,445	-	605,158
<b>Total</b>	<b>1,496,427</b>	<b>2,000,000</b>	<b>305,557</b>	<b>-</b>	<b>3,801,984</b>

<sup>1</sup>David Southam transitioned from Non-Executive Director to Non-Executive Chairman effective 1 October 2024.

<sup>2</sup>Raymond Shorrocks transitioned from Non-Executive Chairman to Non-Executive Director effective 1 October 2024.

There were no shares issued to NEDs as part of compensation during TY2025 (30 June 2025: Nil).

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## REMUNERATION REPORT - AUDITED

**ANDEAN**  
S I L V E R

### Performance Rights

The number of performance rights over ordinary shares in the Company held during the transitional year ended 31 December 2025 and financial year ended 30 June 2025 by NEDs, including their personally related parties, is set out below:

Transitional Year Ended 31 December 2025	Balance at 1 July 2025	Granted	Exercised/ lapsed	Held at date of resignation	Balance at 31 December 2025	Vested and exercisable
David Southam	3,000,000	-	-	-	3,000,000	-
Raymond Shorrocks	1,500,000	-	-	-	1,500,000	-
Carl Travaglini	300,000	-	-	-	300,000	-
Jessie Liu-Ernsting <sup>1</sup>	-	300,000 <sup>2</sup>	-	-	300,000	-
Patrick Gowans <sup>1</sup>	300,000	-	(99,999)	200,001	-	-
<b>Total</b>	<b>5,100,000</b>	<b>300,000</b>	<b>(99,999)</b>	<b>200,001</b>	<b>5,100,000</b>	<b>-</b>

<sup>1</sup>Ms Liu-Ernsting was appointed as a Non-Executive Director on 1 October 2025. On the same date, Mr Gowans resigned from his position as Non-Executive Director.

<sup>2</sup>Shareholder approval for the issue of the Performance Rights under the EISP was obtained under ASX Listing Rule 10.14.

Financial Year Ended 30 June 2025	Balance at 1 July 2024	Granted	Exercised/ lapsed	Held at date of resignation	Balance at 30 June 2025	Vested and exercisable
David Southam	1,500,000	1,500,000 <sup>1</sup>	-	-	3,000,000	-
Raymond Shorrocks	3,500,000	-	(2,000,000)	-	1,500,000	-
Carl Travaglini	300,000	-	-	-	300,000	-
Patrick Gowans	300,000	-	-	-	300,000	-
<b>Total</b>	<b>5,600,000</b>	<b>1,500,000</b>	<b>(2,000,000)</b>	<b>-</b>	<b>5,100,000</b>	<b>-</b>

<sup>1</sup>Shareholder approval for the issue of the Performance Rights under the EISP was obtained under ASX Listing Rule 10.14.

The terms and conditions of each tranche of performance rights granted to Jessie Liu-Ernsting is set out below:

PR ID #	Grant date	Expiry date	Vesting conditions	No. of performance rights	Fair value at grant date \$
PRAF	26/11/25	31/12/30	Upon continuous employment with the Company until 31 December 2028 and the Company's Shares achieving a 20-Day VWAP of \$2.45 or greater prior to 31 December 2027.	100,000	187,880
PRAG	26/11/25	31/12/30	Upon continuous employment with the Company until 31 December 2028 and the Company announcing a JORC Code compliant total Mineral Resource of at least 130Moz at a grade of not less than 180g/t silver equivalent on or before 31 December 2027.	100,000	171,500
PRAH	26/11/25	31/12/30	Upon continuous employment with the Company until 31 December 2028 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.	100,000	171,500

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## REMUNERATION REPORT - AUDITED

**ANDEAN**  
S I L V E R

During TY2025, 99,999 of the performance rights held by Patrick Gowans were forfeited upon his resignation.

Performance rights granted carry no dividend or voting rights.

### Options

The number of options over ordinary shares in the Company held during the transitional year ended 31 December 2025 and financial year ended 30 June 2025 by NEDs, including their personally related parties, is set out below:

Transitional Year Ended 31 December 2025	Balance at 1 July 2025	Granted	Exercised/ lapsed	Held at date of resignation	Balance at 31 December 2025	Vested and exercisable
David Southam	-	-	-	-	-	-
Raymond Shorrocks	-	-	-	-	-	-
Carl Travaglini	-	-	-	-	-	-
Jessie Liu-Ernsting <sup>1</sup>	-	-	-	-	-	-
Patrick Gowans <sup>1</sup>	500,000	-	-	500,000	-	-
<b>Total</b>	<b>500,000</b>	-	-	<b>500,000</b>	-	-

<sup>1</sup> Ms Liu-Ernsting was appointed as a Non-Executive Director on 1 October 2025. On the same date, Mr Gowans resigned from his position as Non-Executive Director.

<sup>2</sup> Mr Gowans exercised his options after his resignation on 1 October 2025.

Financial Year Ended 30 June 2025	Balance at 1 July 2024	Granted	Exercised/ lapsed	Held at date of resignation	Balance at 30 June 2025	Vested and exercisable
David Southam	-	-	-	-	-	-
Raymond Shorrocks	-	-	-	-	-	-
Carl Travaglini	-	-	-	-	-	-
Patrick Gowans	500,000	-	-	-	500,000	500,000
<b>Total</b>	<b>500,000</b>	-	-	-	<b>500,000</b>	<b>500,000</b>

There were no options issued to NEDs during TY2025 (30 June 2025: Nil).

Options granted carry no dividend or voting rights.

### 10. EXECUTIVE SERVICE AGREEMENTS AND TERMINATION

Executive KMP are employed under written service agreements (or letters of appointment). Variable Pay is not guaranteed and is governed by the EISP Rules and offer documentation. Termination benefits are managed to avoid outcomes inconsistent with shareholder interests, and shareholder approval will be sought where required.

Unless the Board determines otherwise under the EISP Rules (including good leaver discretion), unvested Performance Rights generally lapse on cessation of employment.

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# REMUNERATION REPORT - AUDITED



Table 11: Executive service agreements

<b>Name</b>	<b>Timothy Laneyrie</b>
<b>Title</b>	Chief Executive Officer
<b>Agreement commenced</b>	17 April 2024
<b>Term of agreement</b>	Unspecified
<b>Details</b>	<ul style="list-style-type: none"> <li>• Base fee of \$320,000 per annum (exclusive of superannuation) effective 1 July 2025.</li> <li>• Base fee of \$300,000 per annum (exclusive of superannuation) from date of appointment to 30 June 2025.</li> <li>• Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li> <li>• Eligible to participate in the Company's Employee Incentive Securities Plan.</li> <li>• Notice period to terminate is 3 months.</li> <li>• Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 3 months of the base salary, being payment in lieu of the specified termination notice period.</li> </ul>

*Mr. Laneyrie was appointed Technical Director on 23 February 2026.*

<b>Name</b>	<b>Damien Koerber</b>
<b>Title</b>	Chief Operating Officer
<b>Agreement commenced</b>	19 February 2024
<b>Term of agreement</b>	Unspecified
<b>Details</b>	<ul style="list-style-type: none"> <li>• Base fee of \$280,000 per annum (exclusive of superannuation) effective 1 July 2025.</li> <li>• Base fee of \$250,000 per annum (exclusive of superannuation) from date of appointment to 30 June 2025.</li> <li>• Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li> <li>• Eligible to participate in the Company's Employee Incentive Securities Plan.</li> <li>• Notice period to terminate is 3 months.</li> <li>• Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 3 months of the base salary, being payment in lieu of the specified termination notice period.</li> </ul>

<b>Name</b>	<b>Matthew Allen</b>
<b>Title</b>	Chief Financial Officer
<b>Agreement commenced</b>	9 December 2024
<b>Term of agreement</b>	Unspecified
<b>Details</b>	<ul style="list-style-type: none"> <li>• Base fee of \$300,000 per annum, exclusive of superannuation.</li> <li>• Statutory superannuation contributions to be met as required under the <i>Superannuation Guarantee Charge Act 1992</i> (Cth).</li> <li>• Eligible to participate in the Company's Employee Incentive Securities Plan.</li> <li>• Notice period to terminate is 3 months.</li> <li>• Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 3 months of the base salary, being payment in lieu of the specified termination notice period.</li> </ul>

*Mr Allen was appointed CEO on 23 February 2026 with an annual base salary of \$350,000 exclusive superannuation.*

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# REMUNERATION REPORT - AUDITED



## 11. RELATIONSHIP BETWEEN REMUNERATION AND COMPANY PERFORMANCE

In considering the Company's performance and benefits for shareholder wealth, the Board has regard to the following business performance indicators in respect of the current and the previous three financial years.

**Table 12: Performance context**

	Units	6 months	12 months	12 months	12 months
		31 December 2025	30 June 2025	30 June 2024	30 June 2023
Market Capitalisation	\$	505,660,335	161,949,230	85,110,223	13,605,030
Closing Share Price	\$	2.43	1.02	0.76	0.30
Number of shares on issue	#	208,090,673	158,773,755	111,987,136	45,350,100
Income	\$	474,243	1,408,307	305,288	10,255
Loss after income tax expense	\$	(10,023,894)	(17,461,406)	(10,125,434)	(1,664,542)

## 12. TY2025 RESPONSIVENESS, PROXY ALIGNMENT AND GOVERNANCE MATTERS

Subsequent to FY2025, the Company received feedback from shareholders and proxy advisers regarding FY2025 remuneration governance, equity design and disclosure. The Board has refined the TY2025 framework and strengthened disclosure to support an informed shareholder assessment.

The Company received 82% of "Yes" votes on its Remuneration Report for the 30 June 2025 financial year (30 June 2024: 90.65%).

**Table 13: FY2025 themes and TY2025 response (summary)**

Theme	TY2025 position	Where addressed
Vesting horizon	Minimum three-year vesting horizon for FY2026 Variable Remuneration (except as permitted under EISP Rules)	Section 5.4; Tables 1 and 4
Change of control	Awards may accelerate and vest in accordance with the terms of the relevant grant and the EISP Rules	Section 8
Three-pillar articulation	Clear three-pillar design and linkage through conditions and service gateway	Section 5.3; Table 3; Table 4
Disclosure clarity	Table-based disclosure of design, grants, vesting/lapses, overhang and dilution	Sections 5-7; Tables 4-9
Dilution governance	Formalised governance and disclosure of overhang and maximum dilution	Section 6; Tables 5-6
NED equity practices	Not intended to be routine; legacy grants disclosed with safeguards	Section 9; Table 10A
Capital raising fairness	Consider participation mechanisms where practicable	Section 6.1

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# REMUNERATION REPORT - AUDITED



## 12.1 Director capacity and external commitments (overboarding)

The Board considers director capacity and external commitments as part of its ongoing governance oversight. Director commitments are reviewed in the context of the Company's strategic priorities, meeting cadence, committee workload and governance requirements, and are incorporated into the annual Board evaluation process.

Where the external commitments of an individual director, including the Chair, are considered the review is led by the independent Non-Executive Directors, with the relevant director not participating in the determination relating to their own commitments.

In assessing capacity, the Board has regard to:

- the nature and demands of each external appointment;
- committee responsibilities within the Company;
- the Company's operational and strategic workload; and
- director attendance, preparation and engagement.

Directors confirm annually that they have sufficient time to discharge their duties to the Company and are expected to consult with the Board prior to accepting any additional material appointments.

On this basis, the Board considers current external commitments to be appropriately managed and consistent with effective governance oversight. All NEDs, including the Chair, have attended all board meetings and been involved with many more informal interactions with the management team.

## 12.2 Board diversity

The Board recognises that diversity, including gender diversity, is an important governance consideration and is factored into board renewal and succession planning. On 1 October 2025, the Company appointed Ms Jessie Liu-Ernsting as a Non-Executive Director. As at 31 December 2025, female representation on the Board was 25%. The Board will continue to report progress in the Corporate Governance Statement.

## 12.3 Shareholder access and AGM format (hybrid meetings)

Feedback received during FY2025 highlighted shareholder accessibility to meetings, including the desirability of hybrid meeting participation. The Company will assess the practical and legal requirements to implement a hybrid AGM format for future meeting cycles and will communicate any changes in the Notice of Meeting and accompanying materials.

## 13. LOANS AND OTHER TRANSACTIONS

### 13.1 Loans to KMP

There were no loans to KMP of the Company, including their personally related parties as at 31 December 2025 and 30 June 2025.

### 13.2 Other transactions with KMP and their related parties

Cygnus Metals Limited, a company of which David Southam and Raymond Shorrocks are directors, recharged shared office costs to the Company during the transitional year ended 31 December 2025 totalling \$20,402 (30 June 2025: \$30,192). \$4,771 was owing to Cygnus Metals Limited by the Company as at 31 December 2025 (30 June 2025: \$793).

There were no recharged shared office costs from Alicanto Minerals Limited, a company of which Raymond Shorrocks is a director, during the transitional year ended 31 December 2025 (30 June 2025: Nil).

There were no other related party transactions during the transitional year ended 31 December 2025.

## END OF REMUNERATION REPORT (AUDITED)

## DIRECTORS' REPORT



Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to be "D Southam", written over a light grey rectangular background.

David Southam

Non-Executive Chairman

Perth, Western Australia, 24 March 2026

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## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Andean Silver Limited for the six-month period ended 31 December 2025, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



**RSM AUSTRALIA PARTNERS**



**R J MORILLO MALDONADO**

Partner

Dated: 24 March 2026

Melbourne, Victoria



**ANDEAN**  
S I L V E R

**2025 TRANSITIONAL YEAR  
FINANCIAL REPORT**

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# 2025 TRANSITIONAL YEAR FINANCIAL REPORT



## CONTENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income	62
Consolidated Statement of Financial Position	63
Consolidated Statement of Changes in Equity	64
Consolidated Statement of Cash Flows	65
Notes to the Consolidated Financial Statements	66
Consolidated Entity Disclosure Statement	109
Directors' Declaration	110
Independent Auditor's Report	111

Andean changed its financial year end and that of its Australian subsidiaries from 30 June to 31 December to better align financial budgeting and reporting, including timing of year-end financial audits with the Company's Chilean subsidiaries. The change was made in accordance with section 323D(2A) of the *Corporations Act 2001* (Cth).

The Consolidated Financial Statements cover Andean Silver Limited as a consolidated entity consisting of Andean Silver Limited and the entities it controlled at the end of, or during, the transitional year ended 31 December 2025. These consolidated financial statements are presented in Australian dollars, which is Andean Silver Limited's functional and presentation 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:

Andean Silver Limited  
Level 2, 8 Richardson Street  
WEST PERTH WA 6005

A description of the nature of the consolidated entity's operations and its principal activities is included in the Review of Operations on pages 3 to 17 and in the Directors' Report on pages 22 to 58, neither of which form part of these consolidated financial statements.

These consolidated financial statements were authorised for issue by the Directors on 24 March 2026. The Company has the power to amend and reissue the financial statements.

Through the use of the internet, the Company has ensured that its corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial statements and other information are available on the Company's website: [www.andeansilver.com](http://www.andeansilver.com).

**Consolidated Statement of Profit or Loss  
and Other Comprehensive Income  
For the Transitional Year Ended 31 December 2025**



	Notes	31 December 2025 \$	30 June 2025 \$
Income	5	474,243	1,408,307
<b>Total income</b>		<b>474,243</b>	<b>1,408,307</b>
Employee benefits expense	6	(1,265,928)	(1,883,849)
Compliance and regulatory expense		(1,278,066)	(1,802,416)
Consultancy expense	6	(1,309,241)	(2,231,503)
Occupancy expense		(280,232)	(344,607)
Insurance expense		(739,391)	(402,554)
Care and maintenance expense		(662,355)	(1,038,031)
Impairment and write-offs	6	(1,573,491)	(3,200,565)
Depreciation and amortisation expense	6	(195,788)	(387,923)
Share-based payment expense	21	(2,083,659)	(4,434,026)
Interest expense	6	(199,279)	(1,236,134)
Foreign currency gain/ (loss)		215,136	(4,996)
Other administrative expenses	6	(1,125,843)	(1,903,109)
<b>Loss before income tax expense</b>		<b>(10,023,894)</b>	<b>(17,461,406)</b>
Income tax expense	7	-	-
<b>Loss after income tax expense</b>		<b>(10,023,894)</b>	<b>(17,461,406)</b>
<b>Other comprehensive loss, net of tax</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation – foreign operations		(795,385)	(544,909)
<b>Total comprehensive loss</b>		<b>(10,819,279)</b>	<b>(18,006,315)</b>
<b>Basic and diluted loss per share (cents)</b>	19	<b>(5.38)</b>	<b>(11.87)</b>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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**Consolidated Statement of Financial Position**  
**As at 31 December 2025**



	Notes	31 December 2025 \$	30 June 2025 \$
<b>Current Assets</b>			
Cash and cash equivalents	10	56,089,437	12,236,390
Trade and other receivables	11	701,149	223,852
<b>Total Current Assets</b>		<b>56,790,586</b>	<b>12,460,242</b>
<b>Non-Current Assets</b>			
Other assets		62,434	62,434
Other receivables	12	6,556,519	6,610,468
Financial assets at fair value through profit or loss		33,000	24,000
Exploration and evaluation expenditure	13	36,476,089	29,727,203
Property, plant and equipment	14	3,787,492	3,789,233
Intangibles		45,825	55,825
<b>Total Non-Current Assets</b>		<b>46,961,359</b>	<b>40,269,163</b>
<b>Total Assets</b>		<b>103,751,945</b>	<b>52,729,405</b>
<b>Current Liabilities</b>			
Trade and other payables	15	4,448,225	3,511,632
Provisions	16	491,245	322,207
Lease liabilities	18	243,127	281,220
<b>Total Current Liabilities</b>		<b>5,182,597</b>	<b>4,115,059</b>
<b>Non-Current Liabilities</b>			
Provision for rehabilitation	17	21,051,409	20,431,631
Lease liabilities	18	24,953	92,692
<b>Total Non-Current Liabilities</b>		<b>21,076,362</b>	<b>20,524,323</b>
<b>Total Liabilities</b>		<b>26,258,959</b>	<b>24,639,382</b>
<b>Net Assets</b>		<b>77,492,986</b>	<b>28,090,023</b>
<b>Equity</b>			
Contributed equity	19	107,126,737	48,988,154
Reserves	20	10,386,342	9,098,068
Accumulated losses		(40,020,093)	(29,996,199)
<b>Total Equity</b>		<b>77,492,986</b>	<b>28,090,023</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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## Consolidated Statement of Changes in Equity For the Transitional Year Ended 31 December 2025

	Contributed equity	Share-based payments reserve	Foreign currency translation reserve	Total reserves	Accumulated losses	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2024</b>	<b>23,820,194</b>	<b>5,167,224</b>	<b>341,707</b>	<b>5,508,931</b>	<b>(12,534,793)</b>	<b>16,794,332</b>
Loss after income tax expense	-	-	-	-	(17,461,406)	(17,461,406)
Other comprehensive loss net of tax	-	-	(544,909)	(544,909)	-	(544,909)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(544,909)</b>	<b>(544,909)</b>	<b>(17,461,406)</b>	<b>(18,006,315)</b>
<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	4,134,026	-	4,134,026	-	4,434,026
Proceeds from issuance of RSUs	-	20	-	20	-	20
	<b>25,167,960</b>	<b>4,134,046</b>	<b>-</b>	<b>4,134,046</b>	<b>-</b>	<b>29,302,006</b>
<b>Balance at 30 June 2025</b>	<b>48,988,154</b>	<b>9,301,270</b>	<b>(203,202)</b>	<b>9,098,068</b>	<b>(29,996,199)</b>	<b>28,090,023</b>
<b>Balance at 1 July 2025</b>	<b>48,988,154</b>	<b>9,301,270</b>	<b>(203,202)</b>	<b>9,098,068</b>	<b>(29,996,199)</b>	<b>28,090,023</b>
Loss after income tax expense	-	-	-	-	(10,023,894)	(10,023,894)
Other comprehensive loss net of tax	-	-	(795,385)	(795,385)	-	(795,385)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(795,385)</b>	<b>(795,385)</b>	<b>(10,023,894)</b>	<b>(10,819,279)</b>
<i>Transactions with owners, recorded directly in equity</i>						
Shares issued (net of share issue costs)	58,138,583	-	-	-	-	58,138,583
Share-based payments	-	2,083,659	-	2,083,659	-	2,083,659
	<b>58,138,583</b>	<b>2,083,659</b>	<b>-</b>	<b>2,083,659</b>	<b>-</b>	<b>60,222,242</b>
<b>Balance at 31 December 2025</b>	<b>107,126,737</b>	<b>11,384,929</b>	<b>(998,587)</b>	<b>10,386,342</b>	<b>(40,020,093)</b>	<b>77,492,986</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Consolidated Statement of Cash Flows**  
**For the Transitional Year Ended 31 December 2025**



		31 December 2025	30 June 2025
	Notes	\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(6,941,840)	(10,018,800)
Other income received		347,553	282,466
Interest received		542,576	653,717
Interest expense on lease liabilities		-	(1,947)
<b>Net cash used in operating activities</b>	22	<b>(6,051,711)</b>	<b>(9,084,564)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation assets		(8,061,638)	(12,380,251)
Payments for acquisition of assets		-	(750,000)
Purchase of plant and equipment		(75,970)	(139,320)
Proceeds from disposal of plant and equipment	14	-	28,000
Refunds from security deposits		-	22,600
<b>Net cash used in investing activities</b>		<b>(8,137,608)</b>	<b>(13,218,971)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	19	60,000,001	25,388,500
Proceeds from exercise of options	19	1,110,000	850,000
Proceeds from issuance of RSUs		-	20
Share issue transactions costs		(2,923,026)	(1,370,540)
Repayment of lease liabilities		(144,609)	(252,477)
<b>Net cash from financing activities</b>		<b>58,042,366</b>	<b>24,615,503</b>
<b>Net increase in cash and cash equivalents</b>		<b>43,853,047</b>	<b>2,311,968</b>
Cash and cash equivalents at 1 July		12,236,390	9,924,422
<b>Cash and cash equivalents at end of the transitional/financial year</b>		<b>56,089,437</b>	<b>12,236,390</b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

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# Notes to the Consolidated Financial Statements For the Transitional Year Ended 31 December 2025



## 1. GENERAL INFORMATION

### Statement of compliance

These financial statements cover Andean Silver Limited (“Company” or “Andean Silver”), and the entities it controlled (together referred to as the “Group”) at the end of, or during, the transitional year ended 31 December 2025 (“Transitional Year” or “TY2025”).

These financial statements are a general-purpose financial statement which have been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) (“Corporations Act”), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (“AASB”) and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). Consequently, this financial report has been prepared in accordance with and complies with IFRS Accounting Standards as issued by the IASB.

### Presentation currency

These financial statements are presented in Australian Dollars (\$) or ‘AUD’). Foreign operations are included in accordance with the policies set out in Note 3c.

## 2. ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

### **2.1 New and amended Australian Accounting Standards that are effective for the current financial period**

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are relevant to its operations and effective for the financial period beginning 1 July 2025. The adoption of these Standards and Interpretations did not have a material impact on the consolidated financial statements of the Group and hence, have not been disclosed.

### **2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective**

At the date of authorisation of the financial statements, the Group has not applied the new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not effective.

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

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### **(a) Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Andean Silver as at 31 December 2025 and the results of all the subsidiaries for the transitional year then ended.

Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Principles of consolidation (cont'd)

- Power over the investee (existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns, from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intercompany transactions between members of the Group are eliminated in full consolidation.

(b) Parent entity information

In accordance with the Corporations Act, these consolidated financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 27.

(c) Foreign currency translation

***Functional and presentation currency***

The Group's consolidated financial statements are presented in Australian dollars (\$ or AUD), which is also the parent entity's functional currency.

***Transaction and balances***

Foreign currency transactions are translated into AUD using the exchange rates prevailing at the dates of the transactions and foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction and non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss component of the consolidated statement of profit or loss and other comprehensive income, except where they are deferred in equity as a qualifying cash flow or net investment hedge.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Foreign currency translation (cont'd)

*Foreign operations*

On consolidation, the assets and liabilities of foreign operations are translated into AUD using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into AUD using the average exchange rates for the period, which approximate the rates at the dates of the transactions. Exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(d) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line management and the level of segment information presented to the board of directors. Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ("CODM"). The CODM is comprised of the Executive Team and is responsible for the allocation of resources to operating segment and assessing their performance.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and on hand and other short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

**Financial assets**

*Initial recognition and measurement*

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, or fair value through profit or loss or fair value through OCI.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under AASB 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

***Subsequent measurement***

For purposes of subsequent measurement, the Group's financial assets are classified in these categories:

- Financial assets are amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

***Financial assets at amortised cost (debt instruments)***

The Group's financial assets at amortised cost include cash and cash equivalents and trade and other receivables. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of other income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

***Financial assets at fair value through profit or loss***

The Group's financial asset at fair value through profit or loss include investment in shares of a listed entity and other receivables.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that do not pass the SPPI test are required to be classified, and measured at fair value through profit or loss, irrespective of the business model.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

***Impairment of financial assets***

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For trade receivables, the Group applies the simplified approach in calculating ECLs, as permitted by AASB 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset’s lifetime ECL at each reporting date. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL.

The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment including forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**Financial liabilities**

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and trade and other payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and trade and other payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and lease liabilities.

***Subsequent measurement***

***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss and other comprehensive income.

As at reporting date, the Group does not have financial liabilities at fair value through profit or loss.

***Trade and other payables and lease liabilities***

After initial recognition, trade and other payables and lease liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

This category generally applies to trade and other payables and lease liabilities.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(h) Property, plant and equipment

Land is stated at cost less any accumulated impairment losses. Costs includes the purchase price and any directly attributable costs in bringing the asset to its intended use, such as legal fees, stamp duty and site preparation costs.

Land is not depreciated as it is considered to have an indefinite useful life.

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer and equipment	1 year
Furniture	1 year
Motor vehicles	5 years
Plant and equipment	3-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Property, plant and equipment (cont'd)

*Derecognition*

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognised.

*Impairment*

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

(i) Leases

*Right-of-use assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Leases (cont'd)

*Lease liabilities*

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(j) Exploration and evaluation expenditure

Expenditure (including acquisition costs) on exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area of interest are current and:

- it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off to the profit or loss or provided against.

**Impairment**

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment on a regular basis or whether impairment indicators are present. When information becomes available suggesting that the recovery of expenditure which had previously been capitalised is unlikely or that the Group no longer holds tenure, the relevant capitalised amount is written off to the profit or loss in the period when the new information becomes available.

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal (FVLCD) and its value in use (VIU).

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Impairment of non-financial assets

In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining FVLCD, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(m) Environmental provisions – Cerro Bayo Project

The Group is required to rehabilitate the Cerro Bayo Project in accordance with the Closure Plan approved by the Chilean National Service of Geology and Mining (SERNAGEOMIN) to comply with the environmental and legal obligations.

The expected cost of any approved decommissioning or rehabilitation programme, discounted to its net present value, is provided when the related environmental disturbance occurs. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included in financing expenses.

Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for the site. Where there is a change in the expected decommissioning and restoration costs and discount rate, the value of the provision and any related asset are adjusted, and the effect is recognised in profit or loss on a prospective basis over the remaining life of the operation.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by potential proceeds from the sale of assets or from plant clean up at closure.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Issued capital

Issued and paid-up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issued of ordinary shares are recognised directly in equity as a reduction in the proceeds received.

(o) Share-based payment transactions

The Group provides benefits to employees (including Directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transaction"). The Group has one plan in place that provides these benefits. It is the Employee Incentive Securities Plan ("EISP") which provides benefits to all employees, including Directors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using either the Binomial or Black-Scholes model as appropriate. These option valuation models takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives services that entitle the employees to receive payment.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- the extent to which the vesting period has expired; and
- the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expenses not yet recognised for the award is recognised immediately.

However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding rights is reflected as additional share dilution in the computation of dilutive earnings per share.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(p) Employee benefits

*Wages, salaries, sick leave and other short-term benefits*

Liabilities for wages and salaries, including non-monetary benefits, accumulating annual leave and other short-term benefits are expected to be settled wholly within 12 months of the reporting date and are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

*Superannuation*

Contributions made by the Group to employee superannuation funds, which are defined contribution plans, are charged as an expense when incurred.

*Long service leave*

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departure and periods of service. Expected future payments are discounted using the market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(q) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services.

*Interest income*

Interest income is recognised as interest accrues using the effective interest method. This is the method of calculation the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other income*

Other income is recognised when it is received or when the right to receive payment is established.

(r) Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided for using the full liability balance sheet approach.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(r) Income tax (cont'd)

The tax rates and tax laws used to compute the amount of deferred tax assets and liabilities are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable profits.

Deferred tax liabilities are recognised for all taxable temporary differences except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (or tax loss); and
- taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures when the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, including carry-forward tax losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised except when:

- the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (or tax loss); and
- the deductible temporary difference is associated with investments in subsidiaries, associates and interests in joint ventures and it is not probable that the temporary difference will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets and deferred tax liabilities are reassessed at each reporting date and are recognised to the extent that they satisfy the requirements for recognition.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Income taxes relating to transactions recognised outside profit and loss (for example, directly in other comprehensive income or directly in equity) are also recognised outside profit and loss.

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**

**(s) Goods and Services Tax ("GST") and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST or Value Added Taxes (VAT), except:

- where the amount of GST or VAT incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable; and
- receivables and payable, which are stated with the amount of GST or VAT included.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST or VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of amounts of GST or VAT recoverable from, or payable to, the taxation authorities.

**(t) Earnings per share**

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent adjusted for:

- cost of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised; and
- other non-discriminatory changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimations in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

The areas involving a higher degree of judgment of complexity, or where assumptions or estimates are significant to the financial statements are disclosed below:

*Share-based payment transactions*

The fair value is determined by using an appropriate valuation, using the assumptions as discussed in Note 21. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities in the next annual reporting period but may impact expenses and equity.

**Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025**



**4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)**

*Environmental provisions*

A provision has been made for the present value of anticipated costs of the remediation work that will be required to comply with environmental and legal obligations.

In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of those future costs and the estimated level of inflation. The ultimate rehabilitation costs are uncertain, and costs estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, timing, cost increases as compared to the inflation rate and changes in discount rates.

The provision at reporting date represents management's best estimates of the present value of the future rehabilitation costs required.

*Impairment of capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on various factors, including whether the Group decides to exploit the related area of interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

**5. INCOME**

	<b>31 December 2025</b>	<b>30 June 2025</b>
	\$	\$
<i>Income from continuing operations</i>		
Interest income from banks	542,576	653,717
Accrued interest on other receivables (Note 12)	(182,005)	487,980
Total interest income	360,571	1,141,697
Other income	113,672	266,610
	<b>474,243</b>	<b>1,408,307</b>

All interest income from banks is recognised using the effective interest method.

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Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



6. EXPENSES

	31 December 2025 \$	30 June 2025 \$
<i>Loss before income tax expense includes the following expenses</i>		
<i>Employee benefits expense</i>		
Directors' salaries and fees	209,375	323,266
Employee salaries and expenses	936,423	1,400,189
Superannuation	120,130	160,394
	<b>1,265,928</b>	<b>1,883,849</b>
<i>Impairment and write-offs</i>		
Write-off of exploration and evaluation expenditure	-	614,980
Fixed assets written off	32,963	-
VAT receivables impaired (Note 11)	1,540,528	2,585,585
	<b>1,573,491</b>	<b>3,200,565</b>
<i>Depreciation and amortisation expense</i>		
Computer equipment	31,110	62,732
Motor vehicle	142,379	240,834
Plant and equipment	12,298	64,412
Software	10,001	19,945
	<b>195,788</b>	<b>387,923</b>
<i>Interest expense</i>		
Hire-purchase	-	1,947
Accrued interest on provision for rehabilitation	199,279	1,234,187
	<b>199,279</b>	<b>1,236,134</b>
<i>Consultancy expense</i>		
Accounting and secretarial fees	139,495	253,230
Legal fees	614,087	1,087,962
Other consultancy fees	555,659	890,311
	<b>1,309,241</b>	<b>2,231,503</b>
<i>Other administrative expenses</i>		
Travel and accommodation	384,427	609,508
Subscription and memberships	20,209	195,322
Computer expenses and IT support	140,622	121,203
Meetings, workshops and conferences	25,249	198,133
Others	555,336	778,943
	<b>1,125,843</b>	<b>1,903,109</b>

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Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



7. INCOME TAX EXPENSE

	31 December 2025 \$	30 June 2025 \$
Income tax expense – current	-	-
Income tax expense – deferred	-	-
	<u>-</u>	<u>-</u>

A reconciliation of income tax expense and the product of accounting loss before income tax expense multiplied by the Group's applicable income tax rate is as follows:

	31 December 2025 \$	30 June 2025 \$
Loss before income tax expense	<u>(10,023,894)</u>	<u>(17,461,406)</u>
At statutory income tax rate of 30% (30 June 2025: 30%)	(3,007,168)	(5,238,422)
Add/ (less):		
Capital allowances	(343)	13,652
Exploration	9,889	170,897
Other non-allowable items	1,553,306	2,262,043
Others	107,601	329,135
Share based payments	625,097	1,330,208
Revenue losses not recognised	930,963	1,005,893
Foreign tax rate differences	143,417	244,315
Capital raising costs	(362,541)	(118,254)
Non-assessable income	(221)	533
	<u>-</u>	<u>-</u>

The applicable average weighted tax rates are as follows:

	<u>0%</u>	<u>0%</u>
--	-----------	-----------

The tax rate used in the above reconciliation is the corporate tax rate of 30% (30 June 2025: 30%) payable by Australian corporate entities on taxable profits under Australian tax law. The full company tax rate of 30% applies to all companies that are not eligible for the lower company tax rate. 27% corporate tax rate has been applied to the Chilean group.

The following deferred tax balances have not been recognised:

	31 December 2025 \$	30 June 2025 \$
<i>Deferred tax assets at 30% (30 June 2025: 30%)</i>		
Tax losses	3,655,996	2,725,033
Capital raising costs	1,217,061	663,055
Provisions and accruals	69,793	53,633
Exploration and evaluation expenditure	16,800	16,800
	<u>4,959,650</u>	<u>3,458,521</u>

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Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



7. INCOME TAX EXPENSE (CONT'D)

	31 December 2025 \$	30 June 2025 \$
<i>Deferred tax liabilities at 30% (30 June 2025: 30%)</i>		
Prepayments	(149,365)	(37,462)
Plant and equipment	(23,209)	(32,754)
Accrued income	(475)	(254)
	<b>(173,049)</b>	<b>(70,470)</b>
<b>Net deferred tax assets</b>	<b>4,786,601</b>	<b>3,388,051</b>

The taxation benefit of tax losses not brought to account will only be obtained if:

- (i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (ii) the Group continues to comply with the conditions for deductibility imposed by law; and
- (iii) no changes in income tax legislation adversely affect the Company in utilising the benefits.

The above deferred tax liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the deferred tax asset has not been recognised.

8. AUDITOR'S REMUNERATION

	31 December 2025 \$	30 June 2025 \$
<i>Remuneration of the auditor of the Group for auditing and reviewing the financial reports:</i>		
RSM Australia Partners and RSM Chile	<b>45,000</b>	<b>79,300</b>

9. KEY MANAGEMENT PERSONNEL DISCLOSURE

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	31 December 2025 \$	30 June 2025 \$
Short-term benefits	718,849	1,090,139
Post-employment benefits	65,387	91,996
Share-based payments	1,042,392	1,453,350
	<b>1,826,628</b>	<b>2,635,485</b>

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Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



10. CASH AND CASH EQUIVALENTS

	31 December 2025 \$	30 June 2025 \$
Cash at bank	56,089,437	12,236,390
	<b>56,089,437</b>	<b>12,236,390</b>

Cash at bank earn interest at floating rates based on daily bank deposit rates.

11. TRADE AND OTHER RECEIVABLES

	31 December 2025 \$	30 June 2025 \$
Trade and other receivables	40,932	22,430
GST receivables, net	137,685	51,527
VAT receivables	4,303,461	2,762,933
Prepayments	522,532	149,895
	5,004,610	2,986,785
Less: allowance for credit losses on VAT receivables	(4,303,461)	(2,762,933)
	<b>701,149</b>	<b>223,852</b>

*Allowance for credit losses on VAT receivables*

All purchases in Chile are subject to the payment of Impuesto al Valor Agregado (“IVA”) which is a Value Added Tax (“VAT”). Given that the Cerro Bayo Project is currently on care and maintenance and the Group has not yet taken the decision to recommence production, management is of the view that uncertainty exists with respect to the timing and extent of recovery of the VAT receivables. Therefore, the Group has impaired the gross amount of VAT receivables at each period end. The Group has gross VAT receivables of \$5,278,282 impaired that can be recovered once the production commences. Of this gross VAT receivables \$974,821 was impaired at the date of acquisition of the Cerro Bayo Project.

There were no other receivables that were past due or impaired as at 31 December 2025 (30 June 2025: Nil).

12. OTHER RECEIVABLES

	31 December 2025 \$	30 June 2025 \$
Balance at beginning of year	6,610,468	5,888,230
Accrued interest (Note 5)	(182,005)	487,980
Translation difference	128,056	234,258
<b>Balance at end of year</b>	<b>6,556,519</b>	<b>6,610,468</b>

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Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



12. OTHER RECEIVABLES (CONT'D)

As part of the acquisition of the Cerro Bayo Project in 2024, 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 (refer to Note 17). Pursuant to Clause 3 of the Mandalay Acquisition Agreement dated 1 December 2019, Mandalay Resources Corporation ("Mandalay") is contractually responsible for 50% of U.F. 332,650 being the estimated cost of closure of the Cerro Bayo Project, net of any insurance paid by Mandalay. In August 2025, Alkane Resources Limited ("Alkane") and Mandalay completed a merger transaction with Alkane as the surviving entity. The Group has recognised this reimbursement right as other receivables measured at fair value through profit or loss.

As at 31 December 2025, the present value of the reimbursement right from Alkane, calculated using a discount rate of 9.4% and inflation rate of 5.32% (30 June 2025: 4.10%) amounted to \$6,556,519 (30 June 2025: \$6,610,468). The total undiscounted amount of the reimbursement right from Alkane amounted to approximately \$7.1 million by 2032.

13. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2025	30 June 2025
	\$	\$
<b><i>Chile</i></b>		
Balance at 1 July	29,727,203	17,576,724
Exploration and evaluation	7,134,258	12,009,648
Translation difference	(385,372)	140,831
Balance at end of transitional/ financial year	<b>36,476,089</b>	<b>29,727,203</b>
<b><i>Australia</i></b>		
Balance at 1 July	-	569,658
Exploration and evaluation	-	45,322
	-	614,980
Less: written off	-	(614,980)
Balance at end of transitional/ financial year	-	-
	<b>36,476,089</b>	<b>29,727,203</b>

*Impairment*

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. At each reporting 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. No impairment indicators were determined for the Cerro Bayo Project for the transitional year ended 31 December 2025 (30 June 2025: Nil).

In the year ended 30 June 2025, the Group has written off the carrying amounts of the exploration and evaluation expenditure of its Australian projects which amounted to \$614,980.

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Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



14. PROPERTY, PLANT AND EQUIPMENT

	Land	Computer equipment	Furniture	Motor vehicles	Plant and equipment	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2024	3,040,190	43,918	3,794	213,558	164,509	3,465,969
Additions	-	124,288	-	514,116	15,032	653,436
Disposals	-	-	-	(68,741)	-	(68,741)
FX translation difference	208,518	(215)	-	(2,233)	1,762	207,832
Balance at 30 June 2025	3,248,708	167,991	3,794	656,700	181,303	4,258,496
<b>Accumulated depreciation</b>						
Balance at 1 July 2024	-	(23,576)	(3,794)	(104,317)	(34,060)	(165,747)
Depreciation expense	-	(62,732)	-	(240,834)	(64,412)	(367,978)
Disposals	-	-	-	46,678	-	46,678
FX translation difference	-	1,343	-	13,630	2,811	17,784
Balance at 30 June 2025	-	(84,965)	(3,794)	(284,843)	(95,661)	(469,263)
<b>Net book value at 30 June 2025</b>						
	<b>3,248,708</b>	<b>83,026</b>	<b>-</b>	<b>371,857</b>	<b>85,642</b>	<b>3,789,233</b>

	Land	Computer equipment	Furniture	Motor vehicles	Plant and equipment	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2025	3,248,708	167,991	3,794	656,700	181,303	4,258,496
Additions	-	27,264	-	44,513	48,706	120,483
Disposals	-	-	-	-	(52,958)	(52,958)
FX translation difference	104,737	(3,214)	-	(17,734)	(3,986)	79,803
Balance at 31 December 2025	3,353,445	192,041	3,794	683,479	173,065	4,405,824
<b>Accumulated depreciation</b>						
Balance at 1 July 2025	-	(84,965)	(3,794)	(284,843)	(95,661)	(469,263)
Depreciation expense	-	(31,110)	-	(142,379)	(12,298)	(185,787)
Disposals	-	-	-	-	19,995	19,995
FX translation difference	-	1,690	-	11,823	3,210	16,723
Balance at 31 December 2025	-	(114,385)	(3,794)	(415,399)	(84,754)	(618,332)
<b>Net book value at 31 December 2025</b>						
	<b>3,353,445</b>	<b>77,656</b>	<b>-</b>	<b>268,080</b>	<b>88,311</b>	<b>3,787,492</b>

*Disposals of plant and equipment*

During the year, the Company has written off an equipment with a net book value of \$32,963. In prior year, the Company sold its motor vehicles with a total carrying amount of \$22,063 for a cash consideration of \$28,000.

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**Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025**



**14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

*Motor vehicles – right-of-use assets*

The Group has lease agreements for its motor vehicles that generally has term of 24 months. Lease of motor vehicles comprise only fixed payment over the lease term. Set out below are the carrying amounts of motor vehicles under lease and the movements during the year.

	Motor vehicles \$
As at 1 July 2024	101,923
Additions	514,116
Disposals	(15,909)
FX translation difference	11,397
Depreciation expense	(239,670)
<b>As at 30 June 2025</b>	<b>371,857</b>
Additions	44,513
FX translation difference	(5,911)
Depreciation expense	(142,379)
<b>As at 31 December 2025</b>	<b>268,080</b>

The carrying amounts of the lease liabilities and the movements during TY2025 are disclosed in Note 18.

The Group had total cash outflows for leases of \$144,609 in TY2025 (30 June 2025: \$252,477). The Group also had non-cash additions to right-of-use and lease liabilities of \$44,513 (30 June 2025: \$514,116). The future cash outflows relating to lease leases that have not yet commenced are disclosed in Note 18.

**15. TRADE AND OTHER PAYABLES**

	31 December 2025 \$	30 June 2025 \$
Trade and other payables	2,814,981	2,669,225
Accruals	1,633,244	842,407
	<b>4,448,225</b>	<b>3,511,632</b>

Trade and other payables and accruals are carried at amortised costs and are recognised when goods and services are received, whether or not billed to the Group, prior to the end of the reporting period. Trade and other payables are non-interest bearing and generally on 30-day terms.

The carrying amount of the total trade and other payables approximates their fair value.

**16. PROVISIONS - CURRENT**

	31 December 2025 \$	30 June 2025 \$
Employee entitlements	491,245	322,207
	<b>491,245</b>	<b>322,207</b>

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Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



17. PROVISION FOR REHABILITATION

	31 December 2025 \$	30 June 2025 \$
Balance at beginning of year	20,431,631	18,463,960
Unwinding of interest	199,279	1,234,187
FX translation difference	420,499	733,484
	<b>21,051,409</b>	<b>20,431,631</b>

As part of the acquisition of the Cerro Bayo Project, 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 U.F. 369,231 (Chilean Unidades de Formento) as approved by SERNAGEOMIN.

The rehabilitation provision represents the present value of rehabilitation costs relating to the Cerro Bayo Project, which is expected to be incurred prior to 2032, which is the current commitment in the approved Closure Plan. The provision for rehabilitation has been calculated based on the Group's internal estimates.

Assumptions based on the current economic environment have been made, which management believe is a reasonable basis upon which to estimate the future liability.

The estimate is reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mine ceases to produce at economically viable rates. This, in turn, will depend upon silver and gold prices, which are inherently uncertain.

The inflation rate used in the calculation of the provision as at 31 December 2025 is 3.5% (30 June 2025: 4.1%) and the discount rate used in the calculation of the provision as at 31 December 2025 is 5.32% (30 June 2025: 5.63%).

18. LEASE LIABILITIES

	31 December 2025 \$	30 June 2025 \$
Balance at 1 July	373,912	112,628
Additions	44,513	514,116
Payments	(144,609)	(252,477)
Accretion of interest	177	302
FX translation difference	(5,913)	(657)
	<b>268,080</b>	<b>373,912</b>
Current	243,127	281,220
Non-current	24,953	92,692
	<b>268,080</b>	<b>373,912</b>

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Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



18. LEASE LIABILITIES (CONT'D)

The maturity analysis of lease liabilities and the present value lease payments are set out below:

	Minimum lease payments \$	Present value of lease payments \$
<b>31 December 2025</b>		
Within one year	248,641	243,127
After one year but not more than five years	25,350	24,953
Total minimum payments	273,991	268,080
Less amounts representing finance charges	(5,911)	-
	<b>268,080</b>	<b>268,080</b>
<b>30 June 2025</b>		
Within one year	291,701	281,220
After one year but not more than five years	91,296	92,692
Total minimum payments	382,997	373,912
Less amounts representing finance charges	(9,085)	-
	<b>373,912</b>	<b>373,912</b>

19. CONTRIBUTED EQUITY

(a) Ordinary shares

	31 December 2025		30 June 2025	
	No. of shares	\$	No. of shares	\$
Ordinary shares	208,090,673	113,632,574	158,773,755	52,522,573
Less: accumulated issue costs	-	(6,505,837)	-	(3,534,419)
	<b>208,090,673</b>	<b>107,126,737</b>	<b>158,773,755</b>	<b>48,988,154</b>

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Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



19. CONTRIBUTED EQUITY (CONT'D)

(a) Ordinary shares (Cont'd)

Movements in the ordinary shares during the transitional year ended 31 December 2025 and financial year ended 30 June 2025 are as follows:

	Date	No. of shares	Issue price	\$
Balance at 1 July 2025		158,773,755		48,988,154
Exercise of options	23/07/2025	500,000	0.40	200,000
Placement	25/07/2025	25,000,000	1.20	30,000,000
Conversion of performance rights	21/08/2025	3,675,163	-	-
Conversion of performance rights	25/08/2025	250,000	-	-
Exercise of options	1/10/2025	1,000,000	0.40	400,000
Exercise of options	1/10/2025	850,000	0.20	170,000
Cashless exercise of options (i)	14/10/2025	425,538	-	-
Conversion of performance rights	15/12/2025	1,000,000	-	-
Exercise of options	15/12/2025	400,000	0.40	160,000
Placement	15/12/2025	16,216,217	1.85	30,000,001
Exercise of options (ii)				180,000
Less: share issue costs		-	-	(2,971,418)
<b>Balance at 31 December 2025</b>		<b>208,090,673</b>		<b>107,126,737</b>

- i. On 14 October 2025, the Board approved the issue of a total of 425,538 fully paid ordinary shares as a result of the cashless exercise of the following unquoted options:
- A. 250,000 options exercisable at \$0.20 each on or before 16 December 2025; and
  - B. 250,000 options exercisable at \$0.40 each on or before 16 December 2025.
- ii. On 5 January 2026, 450,000 fully paid ordinary shares were issued by the Company upon the exercise of 450,000 unquoted options exercisable at \$0.40 each. The proceeds of \$180,000 before costs were received in December 2025.

Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



19. CONTRIBUTED EQUITY (CONT'D)

(a) Ordinary shares (Cont'd)

	Date	No. of shares	Issue price	\$
Balance at 1 July 2024		111,987,136		23,820,194
Placement	5/7/2024	1,132,223	0.45	509,500
Share application monies <sup>i</sup>		-		(121,000)
Conversion of performance rights	5/7/2024	783,333	-	-
Exercise of options	19/7/2024	1,000,000	0.20	200,000
Shares issued in lieu of consultancy fee (Note 23)	6/9/2024	461,539	0.65	300,000
Exercise of options	18/9/2024	1,300,000	0.40	520,000
Placement	26/9/2024	23,809,524	1.05	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	0.20	100,000
Exercise of options	22/10/2024	150,000	0.20	30,000
Conversion of performance rights	15/01/2025	2,000,000	-	-
Less: share issue costs		-	-	(1,370,540)
<b>Balance at 30 June 2025</b>		<b>158,773,755</b>		<b>48,988,154</b>

<sup>i</sup> Share application monies were received in June 2024 as part of Tranche 2 Placement. The shares were issued subsequently on 5 July 2024.

Holders of ordinary shares entitled are to participate in dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. In the event of winding up the Company, the holders are entitled to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(b) Capital risk management

Capital includes issued capital and all other equity reserves attributable to the equity holders of the parent for the purpose of Group's capital management. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder's value. The Board manages the capital of the Group to ensure that the Group can fund its operations and continue as a going concern. There are no externally imposed capital requirements.

No changes were made in the objectives, policies or processes during the transitional year ended 31 December 2025 and financial year ended 30 June 2025.

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Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



19. CONTRIBUTED EQUITY (CONT'D)

(c) Basic and diluted loss per share

	31 December 2025	30 June 2025
Loss after income tax attributable to the owners of the Company	(\$10,023,894)	(\$17,461,406)
Weighted average number of ordinary shares used in calculating the basic and diluted loss per share	186,293,600	147,051,876

	31 December 2025 Cents	30 June 2025 Cents
Basic and diluted loss per share	(5.38)	(11.87)

Options, performance rights and restricted stock units (“RSUs”) on issue at reporting date could potentially dilute loss per share in the future. The effect of these options, performance rights and restricted stock units is anti-dilutive and as such they have been excluded in the calculation of loss per share of the Company for the transitional year ended 31 December 2025 and financial year ended 30 June 2025.

20. RESERVES

	31 December 2025 \$	30 June 2025 \$
Share-based payment reserve (i)	11,384,929	9,301,270
Foreign currency translation reserve (ii)	(998,587)	(203,202)
	<b>10,386,342</b>	<b>9,098,068</b>

(i) *Share-based payment reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in share-based payment reserves are as follows:

	Unlisted options \$	Performance rights \$	RSUs \$	Total \$
Balance at 1 July 2015	830,409	8,393,479	77,382	9,301,270
Recognised in profit or loss	-	1,892,468	191,191	2,083,659
<b>Balance at 31 December 2025</b>	<b>830,409</b>	<b>10,285,947</b>	<b>268,573</b>	<b>11,384,929</b>
Balance at 1 July 2024	830,409	4,336,815	-	5,167,224
Recognised as share issue costs	-	4,056,664	77,362	4,134,026
Proceeds received from issuance	-	-	20	20
<b>Balance at 30 June 2025</b>	<b>830,409</b>	<b>8,393,479</b>	<b>77,382</b>	<b>9,301,270</b>

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Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



20. RESERVES (CONT'D)

(ii) Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statement of foreign operations to AUD.

Movements in foreign currency translation reserve are as follows:

	31 December 2025 \$	30 June 2025 \$
Balance at 1 July	(203,202)	341,707
Foreign currency translation	(795,385)	(544,909)
	<b>(998,587)</b>	<b>(203,202)</b>

21. SHARE-BASED PAYMENTS

(a) Unlisted options

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the transitional year ended 31 December 2025 and financial year ended 30 June 2025.

	31 December 2025		30 June 2025	
	No. of options	WAEP \$	No. of options	WAEP \$
Balance at 1 July	4,550,000	0.35	7,500,000	0.33
Granted	-	-	-	-
Exercised	(3,250,000)	0.40	(2,950,000)	0.29
	<b>1,300,000</b>	<b>0.40</b>	<b>4,550,000</b>	<b>0.35</b>
Vested and exercisable at the end of transitional/ financial year	<b>1,300,000</b>	<b>0.40</b>	<b>4,550,000</b>	<b>0.35</b>

The following table illustrates the movements in share options for the transitional year ended 31 December 2025 and financial year ended 30 June 2025:

Option	Grant date	Expiry date	Ex Price \$	Balance at 1 July 2025	Options exercised	Balance at 31 December 2025	
							Vested
UO1	16/12/2022	16/12/2025	0.20	250,000	(250,000)	-	-
UO2	16/12/2022	16/12/2025	0.40	750,000	(750,000)	-	-
UO3	02/02/2023	02/02/2026	0.40	850,000	(400,000)	450,000	450,000
UO4	02/02/2023	02/02/2026	0.20	850,000	(850,000)	-	-
UO5	29/01/2024	19/02/2026	0.40	1,850,000	(1,000,000)	850,000	850,000
				<b>4,550,000</b>	<b>(3,250,000)</b>	<b>1,300,000</b>	<b>1,300,000</b>

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Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



21. SHARE-BASED PAYMENTS (CONT'D)

(a) Unlisted options (Cont'd)

Option	Grant date	Expiry date	Ex Price \$	Balance at 1 July 2024	Options exercised	Balance at 30 June 2025	Vested
UO1	16/12/2022	16/12/2025	0.20	750,000	(500,000)	250,000	250,000
UO2	16/12/2022	16/12/2025	0.40	750,000	-	750,000	750,000
UO3	02/02/2023	02/02/2026	0.40	2,000,000	(1,150,000)	850,000	850,000
UO4	02/02/2023	02/02/2026	0.20	2,000,000	(1,150,000)	850,000	850,000
UO5	29/01/2024	19/02/2026	0.40	2,000,000	(150,000)	1,850,000	1,850,000
				<b>7,500,000</b>	<b>(2,950,000)</b>	<b>4,550,000</b>	<b>4,550,000</b>

*Valuation of options*

The fair value of the equity-settled share-based payment is estimated at the date of grant using either a Black-Scholes or a Binomial model, which takes into account factors including the exercise price, the volatility of the underlying share price, the risk-free interest rate, the market price of the underlying share at grant date, historical and expected dividends and the expected life of the option or right, and the probability of fulfilling the required hurdles.

The following table gives the assumptions made in determining the fair value of the unlisted options granted:

Grant Date	Underlying share price	Exercise Price	Risk-free Interest Rate	Share price Volatility	Expiry date	Value per Option \$
16/12/2022	\$0.253	\$0.20	3.19%	73.5%	16/12/2025	\$0.1105
16/12/2022	\$0.230	\$0.40	3.19%	73.5%	16/12/2025	\$0.0769
02/02/2023	\$0.285	\$0.20	3.22%	73.5%	02/02/2026	\$0.1482
02/02/2023	\$0.285	\$0.40	3.22%	73.5%	02/02/2026	\$0.1086
29/01/2024	\$0.215	\$0.40	3.22%	73.5%	19/02/2026	\$0.0556

(b) Performance rights

Set out below are summaries of performance rights granted under the EISP over ordinary shares which are granted for nil cash consideration and have nil exercise prices.

	31 December 2025 No.	30 June 2025 No.
Balance at 1 July	20,511,830	31,125,000
Granted	750,000	7,895,000
Exercised	(4,925,163)	(18,433,333)
Lapsed/ cancelled	(99,999)	(74,837)
<b>Balance at end of transitional/ financial year</b>	<b>16,236,668</b>	<b>20,511,830</b>

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**Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025**



**21. SHARE-BASED PAYMENTS (CONT'D)**

(b) Performance rights (Cont'd)

	<b>31 December 2025 No.</b>	<b>30 June 2025 No.</b>
Vested and exercisable at the end of financial year	<u>33,333</u>	<u>4,958,496</u>

During the transitional year ended 31 December 2025, 4,925,163 (30 June 2025: 18,433,333) performance rights were exercised and converted into shares at nil consideration and 99,999 (30 June 2025: 74,837) performance rights were cancelled upon cessation of director/consultants.

During the transitional year ended 31 December 2025, the Company granted 750,000 (30 June 2025: 7,895,000) performance rights to KMP, employees and consultants with various vesting conditions, of which 550,000 (30 June 2025: 3,350,000) performance rights were granted to KMP as detailed in the remuneration report.

Details of performance rights granted during the transitional year are set out below:

<b>PR ID</b>	<b>Grant date</b>	<b>Expiry date</b>	<b>Number</b>	<b>Fair value at grant date</b>	<b>Total Fair value \$</b>
PRAA	02/07/2025	31/12/2028	83,333	\$1.00	83,550
PRAB	02/07/2025	31/12/2028	83,333	\$1.03	85,416
PRAC	02/07/2025	31/12/2028	83,334	\$1.03	85,417
PRAB	15/09/2025	31/12/2028	50,000	\$1.58	78,750
PRAC	15/09/2025	31/12/2028	50,000	\$1.58	78,750
PRAD	15/09/2025	30/06/2029	50,000	\$1.58	78,750
PRAE	15/09/2025	30/06/2029	50,000	\$1.58	78,750
PRAF	26/11/2025	31/12/2030	100,000	\$1.88	187,880
PRAG	26/11/2025	31/12/2030	100,000	\$1.72	171,500
PRAH	26/11/2025	31/12/2030	100,000	\$1.72	171,500

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**Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025**



**21. SHARE-BASED PAYMENTS (CONT'D)**

(b) Performance rights (cont'd)

The following table illustrate the number of, and movements in, performance rights during the transitional year ended 31 December 2025:

PR ID	Grant date	Expiry date	Balance at 1 July 2025	Granted	Exercised	Lapsed/ cancelled	Balance at 31 December 2025	Vested
PRC	23/03/2023	23/03/2028	250,000	-	(250,000)	-	-	-
PRF	01/06/2023	01/06/2028	33,333	-	-	-	33,333	33,333
PRG	01/06/2023	01/06/2028	33,334	-	-	-	33,334	-
PRK	27/10/2023	30/07/2027	1,675,163	-	(1,675,163)	-	-	-
PRL	19/02/2024	19/02/2029	1,525,000	-	-	(33,333)	1,491,667	-
PRM	19/02/2024	19/02/2029	1,525,000	-	-	(33,333)	1,491,667	-
PRN	19/02/2024	19/02/2029	1,575,000	-	-	(33,333)	1,541,667	-
PRQ	19/02/2024	19/02/2029	3,000,000	-	(3,000,000)	-	-	-
PRR	24/04/2024	30/04/2029	500,000	-	-	-	500,000	-
PRS	24/04/2024	30/04/2029	500,000	-	-	-	500,000	-
PRT	24/04/2024	30/04/2029	500,000	-	-	-	500,000	-
PRR	28/06/2024	30/04/2029	500,000	-	-	-	500,000	-
PRU	28/06/2024	30/04/2029	1,000,000	-	-	-	1,000,000	-
PRV	05/07/2024	01/04/2029	750,000	-	-	-	750,000	-
PRW	06/09/2024	01/09/2029	165,000	-	-	-	165,000	-
PRX	24/12/2024	31/12/2028	2,075,000	-	-	-	2,075,000	-
PRY	24/12/2024	31/12/2028	2,075,000	-	-	-	2,075,000	-
PRZ	24/12/2024	31/12/2028	1,500,000	-	-	-	1,500,000	-

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**Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025**



**21. SHARE-BASED PAYMENTS (CONT'D)**

(b) Performance rights (Cont'd)

PR ID	Grant date	Expiry date	Balance at 1 July 2025	Granted	Exercised	Lapsed/cancelled	Balance at 31 December 2025	Vested
PRAA	24/12/2024	31/12/2028	333,333		-	-	333,333	-
PRAB	24/12/2024	31/12/2028	333,333		-	-	333,333	-
PRAC	24/12/2024	31/12/2028	333,334		-	-	333,334	-
PRAA	31/01/2025	31/12/2028	110,000		-	-	110,000	-
PRAB	31/01/2025	31/12/2028	110,000		-	-	110,000	-
PRAC	31/01/2025	31/12/2028	110,000		-	-	110,000	-
PRAA	02/07/2025	31/12/2028	-	83,333	-	-	83,333	-
PRAB	02/07/2025	31/12/2028	-	83,333	-	-	83,333	-
PRAC	02/07/2025	31/12/2028	-	83,334	-	-	83,334	-
PRAB	15/09/2025	31/12/2028	-	50,000	-	-	50,000	-
PRAC	15/09/2025	31/12/2028	-	50,000	-	-	50,000	-
PRAD	15/09/2025	30/06/2029	-	50,000	-	-	50,000	-
PRAE	15/09/2025	30/06/2029	-	50,000	-	-	50,000	-
PRAF	26/11/2025	31/12/2030	-	100,000	-	-	100,000	-
PRAG	26/11/2025	31/12/2030	-	100,000	-	-	100,000	-
PRAH	26/11/2025	31/12/2030	-	100,000	-	-	100,000	-
			<b>20,511,830</b>	<b>750,000</b>	<b>(4,925,163)</b>	<b>(99,999)</b>	<b>16,236,668</b>	<b>33,333</b>

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**Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025**



**21. SHARE-BASED PAYMENTS (CONT'D)**

(b) Performance rights (Cont'd)

The total fair value has been recognised straight line over the service period or vesting condition. Vesting conditions are set out below:

<b>PR ID</b>	<b>Vesting conditions</b>
PRC	The earlier of the second anniversary of the Commencement Date and the achievement of a share price of 75c or greater over a consecutive 20 day VWAP period.
PRF, PRG, PRK, PRU, PRV, PRAD	Upon remaining an officeholder, employee or consultant of the Company (or a wholly owned subsidiary of the Company) at all times up to and including the Milestone dates.
PRL	Upon continuous employment with the Company until 19 February 2027 and announcement of JORC Mineral Resource Estimate of at least 45Moz at a grade of not less than 180g/t Silver equivalent.
PRM	Upon continuous employment with the Company until 19 February 2027 and announcement of JORC Mineral Resource Estimate of at least 70Moz at a grade of not less than 180g/t Silver equivalent.
PRN	Upon continuous employment with the Company until 19 February 2027 and announcement of JORC Mineral Resource Estimate of at least 100Moz at a grade of not less than 180g/t Silver equivalent.
PRQ	Upon announcement of JORC Mineral Resource Estimate of at least 100Moz at a grade of not less than 180g/t Silver equivalent.
PRR	Upon continuous engagement by the Company until 17 April 2026 and the Company's share achieving a 20-day VWAP of \$0.75 or greater prior to 30 April 2028.
PRS	Upon continuous engagement by the Company until 17 April 2026 and the Company's share achieving a 20-day VWAP of \$1.00 or greater prior to 30 April 2028.
PRT	Upon continuous engagement by the Company until 17 April 2026 and the announcement of a positive Scoping, Pre-Feasibility or Feasibility Study (as defined in the JORC Code 2012 as may be amended from time to time) on the Cerro Bayo Project on or before 30 April 2028.
PRW	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.
PRX	Upon continuous engagement by the Company until 30 June 2027 and the Company's shares achieving a 20-Day VWAP of \$1.40 or greater prior to 30 June 2027.
PRY	Upon continuous engagement by the Company until 30 June 2027 and the Company announcing a JORC Code compliant total Mineral Resource of at least 130Moz at a grade of not less than 180g/t silver equivalent on or before 30 June 2027.
PRZ	Upon continuous engagement by the Company until 30 June 2027 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	Upon continuous engagement by the Company until 31 December 2027 and the Company's shares achieving a 20-Day VWAP of \$1.60 or greater prior to 31 December 2027.
PRAB	Upon continuous engagement by the Company until 31 December 2027 and the Company announcing a JORC Code compliant total Mineral Resource of at least 130Moz at a grade of not less than 180g/t silver equivalent on or before 31 December 2027.
PRAC	Upon continuous engagement by the Company until 31 December 2027 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.
PRAE	Upon remaining an employee of the Company (or a related body corporate) up to and including 30 June 2028 and the Company's Shares achieving a 20-Day VWAP of \$1.90 or greater prior to 30 June 2028.

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Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



21. SHARE-BASED PAYMENTS (CONT'D)

(b) Performance rights (cont'd)

PR ID	Vesting conditions
PRAF	Upon continuous engagement by the Company until 31 December 2028 and the Company's Shares achieving a 20-Day VWAP of \$2.45 or greater prior to 31 December 2027.
PRAG	Upon continuous engagement by the Company until 31 December 2028 and the Company announcing a JORC Code compliant total Mineral Resource of at least 130Moz at a grade of not less than 180g/t silver equivalent on or before 31 December 2027.
PRAH	Upon continuous engagement by the Company until 31 December 2028 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.

*Valuation of performance rights*

Performance rights are issued for nil consideration and the terms of the performance rights are 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 transitional year ended 31 December 2025, the total value of \$1,892,468 (30 June 2025: \$4,056,664) has been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income representing the amount vested in TY2025.

(c) Restricted Stock Units

During the transitional year, the Company granted 450,122 (30 June 2025: 500,000) Restricted Stock Units ("RSUs") to an employee of its Chilean operations for a cash consideration of \$20. The RSUs are issued under the similar terms and conditions to performance rights issued under the Company's EISP.

RSUs will vest on the date the vesting conditions have been satisfied. Upon vesting, each RSU is convertible into one fully paid ordinary share in the Company.

Details of RSUs granted during the transitional year ended 31 December 2025 are set out below:

Class	Grant date	Expiry date	Number	Fair value at grant date	Total fair value \$
RSA	2/07/2025	31/12/2028	150,040	\$1.0026	150,430
RSB	2/07/2025	31/12/2028	150,041	\$1.15	153,646
RSC	2/07/2025	31/12/2028	150,041	\$1.15	153,646

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**Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025**



**21. SHARE-BASED PAYMENTS (CONT'D)**

(c) Restricted Stock Units (Cont'd)

The total fair value has been recognised straight line over the service period or vesting condition. During the transitional year ended 31 December 2025, \$191,191 (30 June 2025: \$77,362) has been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income representing the amount vested for TY2025.

The RSUs are subject to the following vesting conditions:

Class	Vesting conditions
RSA	Upon continuous engagement by the Company until 31 December 2027 and the Company's shares achieving a 20-Day VWAP of \$1.60 or greater prior to 31 December 2027.
RSB	Upon continuous engagement by the Company until 31 December 2027 and the Company announcing a JORC Code compliant total Mineral Resource of at least 130Moz at a grade of not less than 180g/t silver equivalent on or before 31 December 2027.
RSC	Upon continuous engagement by the Company until 31 December 2027 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.

**22. CASH FLOW INFORMATION**

Reconciliation of loss after income tax expense to net cash used in operating activities for the transitional year ended 31 December 2025 and financial year ended 30 June 2025 are set out below:

	31 December 2025 \$	30 June 2025 \$
Loss before income tax expense	(10,023,894)	(17,461,406)
<i>Non-cash items</i>		
Depreciation and amortisation	195,788	387,923
Impairment/ write-off	1,573,491	3,200,565
Share-based payment	2,083,659	4,434,026
Fair value gain on financial assets at FVPL	(9,000)	(24,000)
Gain on disposal of plant and equipment	-	(5,937)
Interest expense	199,279	1,234,187
Interest income	182,005	(487,980)
<i>Changes in current assets and liabilities</i>		
(Increase) in trade and other receivables	(2,017,825)	(2,657,281)
Increase in trade and other payables	1,595,748	2,113,513
Increase in provisions – current	169,038	181,826
<b>Net cash used in operating activities</b>	<b>(6,051,711)</b>	<b>(9,084,564)</b>

*Non-cash investing and financing activities*

There were no other significant non-cash investing and financing activities, except those disclosed in Notes 14 and 18.

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**Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025**



**23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, other assets, trade and other payables and lease liabilities. The Group has various creditors, which arise directly from its operations. For the period under review, it has been the Group's policy not to trade in financial instruments.

**Risk exposure and responses**

The Group manages its exposures to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

The main risks arising from the Group's financial instruments are: market risk (including interest rate risk, and foreign exchange risk), credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Interest rate risk

The Group's exposure to market risk for changes in interest rates primarily to the Group's cash and cash equivalents and lease liabilities. Cash and cash equivalents are subject to floating interest rates while lease liabilities are based on fixed rate debt. The Group constantly analyses its interest rate exposure and is of the view that there is no significant exposure to changes in market interest rates at the reporting date.

As at the reporting date, the Group's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below:

	Floating interest rate \$	Fixed interest rate \$	Non- interest bearing \$	Total carrying amount \$
<b>31 December 2025</b>				
<i>Financial assets</i>				
Cash and cash equivalents	56,089,437	-	-	56,089,437
Trade and other receivables	-	-	178,617	178,617
Financial assets at FVPL	-	-	33,000	33,000
Other assets	-	-	62,434	62,434
Other receivables	-	6,556,519	-	6,556,519
<b>Total financial assets</b>	<b>56,089,437</b>	<b>6,556,519</b>	<b>274,051</b>	<b>62,920,007</b>
<i>Financial liabilities</i>				
Trade and other payables	-	-	(4,448,225)	(4,448,225)
Lease liabilities	-	(268,080)	-	(268,080)
<b>Total financial liabilities</b>	<b>-</b>	<b>(268,080)</b>	<b>(4,448,225)</b>	<b>(4,716,305)</b>
<b>Net financial assets/ (liabilities)</b>	<b>56,089,437</b>	<b>6,288,439</b>	<b>(4,174,174)</b>	<b>58,203,702</b>

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**Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025**



**23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)**

As at the reporting date, the Group's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below:

	Floating interest rate \$	Fixed interest rate \$	Non- interest bearing \$	Total carrying amount \$
<b>30 June 2025</b>				
<i>Financial assets</i>				
Cash and cash equivalents	12,236,390	-	-	12,236,390
Trade and other receivables	-	-	73,957	73,957
Financial assets at FVPL	-	-	24,000	24,000
Other assets	-	-	62,434	62,434
Other receivables – Mandalay	-	6,610,468	-	6,610,468
<b>Total financial assets</b>	<b>12,236,390</b>	<b>6,610,468</b>	<b>160,391</b>	<b>19,007,249</b>
<i>Financial liabilities</i>				
Trade and other payables	-	-	(3,511,632)	(3,511,632)
Lease liabilities	-	(373,912)	-	(373,912)
<b>Total financial liabilities</b>	<b>-</b>	<b>(373,912)</b>	<b>(3,511,632)</b>	<b>(3,885,544)</b>
<b>Net financial assets/ (liabilities)</b>	<b>12,236,390</b>	<b>6,236,556</b>	<b>(3,351,241)</b>	<b>15,121,705</b>

Interest rate risk exposure:

	Post tax loss Higher/ (lower)		Other comprehensive Income Higher/ (lower)	
	31 December 2025 \$	30 June 2025 \$	31 December 2025 \$	30 June 2025 \$
<i>Judgment or reasonably possible movements</i>				
+0.25% basis points	155,945	46,862	155,945	46,862
-0.25% basis points	(155,945)	(46,862)	(155,945)	(46,862)

*Foreign currency risk*

The Group is exposed to currency risk arising from exchange rate fluctuations on purchases that are denominated in currency other than the respective functional currencies of the Group entities, primarily United States dollars and Chilean Pesos. The Group does not have a hedging policy in place.

There was no significant foreign currency gain or loss recorded in the Group during the current or prior reporting periods.

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**Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025**



**23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)**

*Foreign currency risk (cont'd)*

The carrying amount of the Group's foreign currency denominated financial assets and liabilities at the reporting date are as follows:

	31 December 2025		30 June 2025	
	USD	CLP	USD	CLP
<i>Financial assets</i>				
Cash and cash equivalents	2,226,280	5,684	1,856,185	1,272
Trade and other receivables	16,643	666	6,093	652
<b>Total</b>	<b>2,242,923</b>	<b>6,350</b>	<b>1,862,278</b>	<b>1,924</b>
<i>Financial liabilities</i>				
Trade and other payables	(3,326,897)	(50,370)	(2,740,047)	(56,006)
Lease liabilities	-	(268,080)	-	(373,912)
<b>Total</b>	<b>(3,326,897)</b>	<b>(318,450)</b>	<b>(2,740,047)</b>	<b>(429,918)</b>

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and arises from the financial assets of the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group holds majority of its cash and cash equivalents with banks and financial institution counterparties with acceptable credit ratings of AA+ or above.

The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of the financial assets (as outlined in each applicable note).

Significant concentration of credit risk is in relation to cash and cash equivalents with Australian bank and other receivables.

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the subsequent ability to meet the obligations to repay the financial liabilities as and when they fall due.

The Group manages liquidity risks by monitoring forecast cash flows, only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets. The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Group currently has lease liabilities with a remaining term of over 12 months but less than 24 months. Refer to Note 18 for details. All other financial liabilities are expected to be settled within 12 months.

**24. FAIR VALUE MEASUREMENT**

For all financial assets and financial liabilities recognised in the Consolidated Statement of Financial Position, carrying amount approximates fair value unless otherwise specified in the applicable notes.

The methods for estimating fair values are outlined in the relevant notes to financial statements.

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**Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025**



**24. FAIR VALUE MEASUREMENT (CONT'D)**

The Group uses various methods in estimating fair value of financial instrument. The methods comprise:

Level 1	The fair value is calculated using quoted prices in active markets.
Level 2	The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from price).
Level 3	The fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>31 December 2025</b>				
Financial assets at FVPL	33,000	-	-	33,000
Other receivables	-	-	6,556,519	6,556,519
	<b>33,000</b>	<b>-</b>	<b>6,556,519</b>	<b>6,589,519</b>
<b>30 June 2025</b>				
Financial assets at FVPL	24,000	-	-	24,000
Other receivables	-	-	6,610,468	6,610,468
	<b>24,000</b>	<b>-</b>	<b>6,610,468</b>	<b>6,634,468</b>

There were no transfers between levels during TY2025 (30 June 2025: None).

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

**25. RELATED PARTY TRANSACTIONS**

*Parent entity*

Andean Silver Limited is the parent entity.

*Controlled entities*

Interest in controlled entities are set out in Note 26.

*Key management personnel*

Disclosures relating to key management personnel are set out in Note 9 and the Remuneration Report included in the Directors' Report.

*Transactions with related parties*

Cygnus Metals Limited, a company of which David Southam and Raymond Shorrocks are directors, recharged shared office costs to the Company during the transitional year ended 31 December 2025 totalling \$20,402 (30 June 2025: \$30,192). \$4,771 was owing to Cygnus Metals Limited by the Company as at 31 December 2025 (30 June 2025: \$793).

There were no recharged shared office costs from Alicanto Minerals Limited, a company of which Raymond Shorrocks is a director, during the transitional year ended 31 December 2025 (30 June 2025: Nil).

There were no other related party transactions during the transitional year ended 31 December 2025.

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**Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025**



**25. RELATED PARTY TRANSACTIONS (CONT'D)**

*Terms and conditions of transactions with related parties*

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash and are presented as part of trade payables. There have been no bank guarantees provided for any related party payables. Amounts shown are net of GST paid or payable.

**26. INTEREST IN CONTROLLED ENTITIES**

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in Note 3.

	Country of incorporation	Ownership interest (%)	
		31 December 2025	30 June 2025
Bellpark Minerals Pty Ltd	Australia	100	100
Mitre Mining Chile Pty Ltd	Australia	100	100
Equus Resources Pty Ltd	Australia	100	100
Mitre Mining (Chile) SpA	Chile	100	100
Andean Silver Chile I SpA	Chile	100	100
Andean Silver Chile II SpA	Chile	100	100
Compania Minera Cerro Bayo SpA	Chile	100	100

**27. PARENT ENTITY INFORMATION**

Set out below is the supplementary information about the parent entity:

	31 December 2025	30 June 2025
	\$	\$
<b>Statement of profit or loss and other comprehensive income</b>		
Loss after income tax	(5,252,464)	(10,106,814)
<b>Total comprehensive loss</b>	<b>(5,252,464)</b>	<b>(10,106,814)</b>
<b>Statement of financial position</b>		
Current assets	87,719,233	32,338,032
<b>Total assets</b>	<b>93,399,888</b>	<b>38,021,282</b>
Current liabilities	(1,238,954)	(830,127)
<b>Total liabilities</b>	<b>(1,238,954)</b>	<b>(830,127)</b>
Share capital	107,126,737	48,988,153
Reserves	11,384,929	9,301,270
Accumulated losses	(26,350,732)	(21,098,268)
<b>Total contributed capital</b>	<b>92,160,934</b>	<b>37,191,155</b>

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**Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025**



**27. PARENT ENTITY INFORMATION (CONT'D)**

**Guarantees entered into by the parent entity in relation to the debts of subsidiaries**

The parent entity had no guarantees in relation to the debts of its controlled entities as at 31 December 2025 and 30 June 2025.

**Contingent assets and contingent liabilities of the parent entity**

There are no material contingent assets and contingent liabilities as at 31 December 2025 and 30 June 2025.

**Dividends**

No dividends were paid or declared during the transitional year (2025: Nil).

**28. COMMITMENTS AND CONTINGENCIES**

**Capital commitments**

As at 31 December 2025, the Group has no capital commitments (30 June 2025: Nil).

**Mineral tenements and lease commitments**

*Australia*

The Group pays minimal annual license 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 estimated to be between \$400,000 - \$500,000.

**Contingencies**

There are no material contingent assets or liabilities as at 31 December 2025 (30 June 2025: Nil).

**29. OPERATING SEGMENTS**

For management purposes, the Group is organised into operating segments determined by the location of the mineral being mined or explored, as these are the sources of the Group's major risks and have the most effect on rates of return.

The Group is organised into two operating segments based on the Groups exploration and evaluation project geographic location 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, Mt Alexander and View Hill Projects - WA

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

Notes to the Consolidated Financial Statements  
For the Transitional Year Ended 31 December 2025



29. OPERATING SEGMENTS (CONT'D)

Operating segment information

	Chile \$	Australia \$	Corporate Unallocated \$	Total \$
<b>31 December 2025</b>				
Income	(166,295)	9,000	631,538	474,243
<b>Total income</b>	<b>(166,295)</b>	<b>9,000</b>	<b>631,538</b>	<b>474,243</b>
Impairment	(1,540,528)	-	(32,963)	(1,573,491)
Share-based payment expense	-	-	(2,083,659)	(2,083,659)
Depreciation and amortisation	(167,899)	-	(27,889)	(195,788)
Interest expense	(199,279)	-	-	(199,279)
Other expenses	(3,566,934)	(11,142)	(2,867,844)	(6,445,920)
<b>Total expenses</b>	<b>(5,474,640)</b>	<b>(11,142)</b>	<b>(5,012,355)</b>	<b>(10,498,137)</b>
<b>Loss before income tax expense</b>	<b>(5,640,935)</b>	<b>(2,142)</b>	<b>(4,380,817)</b>	<b>(10,023,894)</b>
Income tax expense				-
<b>Loss after income tax expense</b>				<b>(10,023,894)</b>
<b>Segment assets</b>	<b>49,042,640</b>	<b>33,000</b>	<b>54,676,305</b>	<b>103,751,945</b>
<b>Segment liabilities</b>	<b>(25,020,005)</b>	<b>-</b>	<b>(1,238,954)</b>	<b>(26,258,959)</b>
<b>30 June 2025</b>				
Income	596,251	33,000	779,056	1,408,307
<b>Total income</b>	<b>596,251</b>	<b>33,000</b>	<b>779,056</b>	<b>1,408,307</b>
Impairment/ write-off	(2,585,585)	(614,980)	-	(3,200,565)
Share-based payment expense	-	-	(4,434,026)	(4,434,026)
Depreciation and amortisation	(322,573)	-	(65,350)	(387,923)
Interest expense	(1,234,187)	-	(1,947)	(1,236,134)
Other expenses	(4,598,485)	(9,000)	(5,003,580)	(9,611,065)
<b>Total expenses</b>	<b>(8,740,830)</b>	<b>(623,980)</b>	<b>(9,504,903)</b>	<b>(18,869,713)</b>
<b>Loss before income tax expense</b>	<b>(8,144,579)</b>	<b>(590,980)</b>	<b>(8,725,847)</b>	<b>(17,461,406)</b>
Income tax expense				-
<b>Loss after income tax expense</b>				<b>(17,461,406)</b>
<b>Segment assets</b>	<b>41,972,293</b>	<b>24,000</b>	<b>10,733,112</b>	<b>52,729,405</b>
<b>Segment liabilities</b>	<b>(23,809,195)</b>	<b>-</b>	<b>(830,187)</b>	<b>(24,639,382)</b>

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**30. EVENTS AFTER THE REPORTING PERIOD**

On 5 January 2026 the Company issued 450,000 fully paid ordinary shares upon the exercise of 450,000 unquoted options at \$0.40 each. Proceeds from the exercise of options of \$180,000 (before costs) were received in December 2025.

On 6 January 2026, the Company issued 3,243,057 fully paid ordinary shares under the SPP, resulting in proceeds of \$6 million (before share issue costs).

On 12 February 2026, the Company issued 850,000 fully paid ordinary shares upon the exercise of 850,000 unquoted options at \$0.40 each resulting to proceeds of \$340,000 (before costs). The Company also issued 33,333 fully paid ordinary shares on the same date upon conversion of 33,333 performance rights at nil consideration.

On 23 February 2026, the Company announced that Chief Financial Officer Mr Matthew Allen had been appointed Chief Executive Officer (“CEO”), while Mr Timothy Laneyrie transitioned from CEO to a new executive role of Technical Director.

On 6 March 2026, the Company issued 500,000 performance rights to Mr Allen subject to various vesting conditions.

There were no other matters or circumstances that have arisen since the end of the transitional year ended 31 December 2025 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.

# CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 31 DECEMBER 2025

## BASIS OF PREPARATION

This consolidated entity disclosure statement has been prepared in accordance with the Corporations Act and includes information for each entity that was part of the Group as at 31 December 2025 in accordance with AASB 10 Consolidated Financial Statements.

## DETERMINATION OF TAX RESIDENCY

Section 295 (3A)(vi) of the Corporations Act defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, Andean has applied the following interpretations:

- Australian tax residency: Andean has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5; and
- Foreign tax residency: Where necessary, Andean has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable tax legislation has been complied with (see section 295 (3A)(vii) of the Corporations Act).

Entity name	Entity type	Country of incorporation	Ownership interest	Tax residency
Andean Silver Limited	Body corporate	Australia	Parent	Australia
Bellpark Minerals Pty Ltd	Body corporate	Australia	100%	Australia
Mitre Mining Chile Pty Ltd	Body corporate	Australia	100%	Australia
Equus Resources Pty Ltd	Body corporate	Australia	100%	Australia
Mitre Mining (Chile) SpA	Body corporate	Chile	100%	Chile
Andean Silver I SpA	Body corporate	Chile	100%	Chile
Andean Silver II SpA	Body corporate	Chile	100%	Chile
Compania Minera Cerro Bayo SpA	Body corporate	Chile	100%	Chile

## DIRECTORS' DECLARATION



In the opinion of the Directors of Andean Silver Limited:

- (a) the Consolidated Financial Statements and Notes thereto, and the Remuneration Report contained within the Directors' Report, are in accordance with *Corporations Act 2001* (Cth), including:
  - (i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulation 2001* (Cth); and
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the transitional year ended on that date;
- (b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1;
- (c) 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; and
- (d) the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* (Cth) on page 109 is true and correct.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* (Cth).

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

A handwritten signature in blue ink, appearing to read "D Southam", written over a light blue grid background.

David Southam

Non-Executive Chairman

Perth, Western Australia, 24 March 2026

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Andean Silver Limited

#### Opinion

We have audited the financial report of Andean Silver Limited ('the Company') and its subsidiaries (together 'the Group'), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the six-month period then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
<p><b>Carrying value of Exploration and evaluation expenditure</b></p> <p>Refer to Note 13 in the financial statements</p>	
<p>As at 31 December 2025, the carrying value of the Group's capitalised Exploration and evaluation expenditure amounted to \$36,476,089 (June 2025: \$29,727,203), which represented 35% of the total assets of the Group as at that date.</p> <p>Under the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ('AASB 6'), the carrying value of Exploration and evaluation assets is required to be assessed, including:</p> <ul style="list-style-type: none"> <li>• Determination of whether expenditure can be associated with the exploration for and evaluation of mineral resources, and the basis on which that expenditure is allocated to an area of interest;</li> <li>• Assessment of whether any indicators of impairment are present. If so, the judgements applied to determine and quantify any impairment loss; and</li> <li>• Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be determined.</li> </ul> <p>We determined the assessment over the carrying value of Exploration and evaluation assets to be a key audit matter because the significance of these assets in the statement of financial position, and due to the significant management estimates and judgements involved in the process as mentioned in the preceding paragraph.</p>	<p>Our audit procedures in relation to the carrying value of Exploration and evaluation expenditure included:</p> <ul style="list-style-type: none"> <li>• Reviewing the Group's accounting policy in relation to exploration and evaluation expenditure to confirm it is in accordance with AASB 6;</li> <li>• Agreeing a sample of additions to Exploration and evaluation assets against supporting documentation to ensure that the amounts were capital in nature and in line with the Group's accounting policy;</li> <li>• Reviewing the rights to tenure of the areas of interest remain current at the reporting date, and that rights to tenure are expected to be renewed for tenements that will expire in the near future;</li> <li>• Assessing management's assessment for potential indicators of impairment as at 31 December 2025. This assessment included inquiring with management and reviewing budgets and plans to determine that the company will incur substantive expenditure on further exploration for and evaluation of mineral resources in the specific areas of interest;</li> <li>• Discussing and assessing management's determination that exploration and evaluation activities have not yet progressed to the point where the existence or otherwise of an economically viable mineral resource may be determined; and</li> <li>• Reviewing the related disclosures included in the financial report for their adequacy and completeness.</li> </ul>

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the six-month period ended 31 December 2025; but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf). This description forms part of our auditor's report.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 35 to 57 of the directors' report for the six-month period ended 31 December 2025.

In our opinion, the Remuneration Report of Andean Silver Limited, for the six-month period ended 31 December 2025, complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**RSM AUSTRALIA PARTNERS**



**R J MORILLO MALDONADO**  
Partner

Dated: 24 March 2026  
Melbourne, Victoria

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**ANDEAN**  
S I L V E R

**ASX ADDITIONAL  
SHAREHOLDER INFORMATION**



# ASX ADDITIONAL SHAREHOLDER INFORMATION



As at 13 March 2026

## Fully Paid Ordinary Shares

### Twenty Largest Shareholders

The names of the twenty largest holders of ordinary fully paid shares are as follows:

Name	No. of Shares	% of issued capital
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	51,846,969	24.41
CITICORP NOMINEES PTY LIMITED	30,685,928	16.78
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	17,084,051	7.99
BNP PARIBAS NOMS PTY LTD	15,213,451	7.23
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	8,024,048	3.83
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	7,452,641	3.44
SYMORGH INVESTMENTS PTY LTD <SYMORGH A/C>	7,245,451	3.41
GOLD LEAF CORPORATE PTY LTD <GOLD LEAF CORPORATE A/C>	3,516,216	1.65
SPRING STREET HOLDINGS PTY LTD	2,503,359	1.18
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,380,230	0.97
ATEQ INVESTMENTS PTY LTD	1,931,048	0.91
SYMORGH SUPER PTY LTD <SYMORGH SUPER FUND A/C>	1,892,857	0.89
SYMORGH INVESTMENTS PTY LTD <SYMORGH A/C>	1,805,301	0.85
BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	1,500,942	0.72
MR ANTHONY ROBERTS	1,332,672	0.63
MR PHILLIP RICHARD PERRY	1,278,108	0.60
MR PHILLIP RICHARD PERRY + MRS TETYANA PERRY <DONESKA SUPER FUND A/C>	1,040,834	0.49
BENGAL MCCARTHY PTY LTD <MCCARTHY SUPER FUND A/C>	906,216	0.43
NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	895,785	0.42
SYMORGH INVESTMENTS PTY LTD <SYMORGH A/C>	794,849	0.37
<b>TOTAL TOP 20 HOLDERS OF FULLY PAID ORDINARY SHARES</b>	<b>164,060,755</b>	<b>77.14</b>
<b>TOTAL REMAINING HOLDERS BALANCE</b>	<b>48,606,308</b>	<b>23.57</b>

### Less than marketable parcels of shares

There were 330 holders of less than a marketable parcel of shares, based on the closing market price of \$1.97 per share on 13 March 2026.

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# ASX ADDITIONAL SHAREHOLDER INFORMATION



## Substantial Shareholders

The names and number of shares in which substantial holders and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company, are:

Holder Name	No. of Shares	% of issued capital
THE BANK OF NOVA SCOTIA	16,480,000	7.75%
EQUINOX PARTNERS INVESTMENT MANAGEMENT LLC	13,442,456	6.32%
SPROTT INC	12,159,809	5.72%
STEPHEN PARSONS	11,738,504	5.52%

## Spread

Distribution of members and their holdings of fully paid ordinary shares in Andean Silver Limited:

Range	Holders	No. of Shares	% of issued capital
1 - 1,000	1,416	716,522	0.34
1,001 - 5,000	1,489	4,038,668	1.90
5,001 - 10,000	525	3,91,788	1.88
10,001 - 100,000	712	20,985,897	9.87
100,001 and over	99	182,934,188	86.02
<b>Totals</b>	<b>4,241</b>	<b>212,667,063</b>	<b>100.00</b>

## Restricted Stock Units ("RSUs")

### Spread

Range	Holders	No. of RSUs	% units
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 and over	3	950,122	100.00
<b>Totals</b>	<b>3</b>	<b>950,122</b>	<b>100.00</b>

### Classes

Class	Expiry	Holders*	No. of RSUs
RSA	31/12/2028	3	316,706
RSB	31/12/2028	3	316,708
RSC	31/12/2028	3	316,708

\* The names of holders and percentage of unquoted restricted stock units held for each class (where the holding was 20% or more of that class): 53% are held by Alvaro Heriberto Fuentes Castro and 28% are held by Sofia Lorena Aravena Fernandez.

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# ASX ADDITIONAL SHAREHOLDER INFORMATION



## Performance Rights

### Spread

Range	Holders	No. of Performance Rights	% units
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	3	158,334	0.95
100,001 and over	17	16,545,001	99.05
<b>Totals</b>	<b>20</b>	<b>16,703,335</b>	<b>100.00</b>

### Classes

Class	Expiry	Holders*	No. of Performance Rights
PRG	01/06/2028	1	33,334
PRL	19/02/2029	8	1,491,667
PRM	19/02/2029	8	1,491,667
PRN	19/02/2029	8	1,541,667
PRR	30/04/2029	2	1,000,000
PRS	30/04/2029	1	500,000
PRT	30/04/2029	1	500,000
PRU	30/04/2029	1	1,000,000
PRV	01/04/2029	1	750,000
PRW	01/09/2029	1	165,000
PRX	31/12/2028	4	2,075,000
PRY	31/12/2028	4	2,075,000
PRZ	31/12/2028	3	1,500,000
PAA	31/12/2028	4	526,666
PAB	31/12/2028	5	526,666
PAC	31/12/2028	5	526,668
PAD	30/06/2029	1	50,000
PAE	30/06/2029	1	50,000
PAF	31/12/2030	1	100,000
PAG	31/12/2030	1	100,000
PAH	31/12/2030	1	100,000
PAI	06/03/2031	1	166,666
PAJ	06/03/2031	1	166,667
PAK	06/03/2031	1	166,667

\*All Performance Rights were issued under the Company's EISP. Details of holders of securities issued under an employee incentive scheme are exempt from disclosure under Chapter 4 of the Listing Rules.

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## ASX ADDITIONAL SHAREHOLDER INFORMATION

### Voting Rights

In accordance with the holding Company's constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held. On a poll, every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held. Holders of Options, Performance Rights and RSUs are not entitled to vote.

### Restricted and Escrowed Securities

The Company does not have any restricted securities on issue, nor are there any securities on issue which are subject to voluntary escrow.

### On-market buy-back

The Company confirms that there is no current on-market buy-back.

### Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3 the Company's Corporate Governance Statement can be found on the Company's website at: <https://www.andeanilver.com/corporate/#governance>

### Company Secretary

Maddison Cramer

### Company Details

Refer to the Corporate Directory on page 1 for details of the Company's registered office address, principal place of business, telephone number and stock exchange listing.

### Share Registry Details

Refer to the Corporate Directory on page 1 for details of the Company's share registry.

## SCHEDULE OF MINING TENEMENTS



The Group's interests in mining tenements as at 31 December 2025 are as follows:

### Australian Projects

Tenement Number	Location	Legal and beneficial interest	Registered Holder
E29/1167	Western Australia	100%*	Bellpark Minerals Pty Ltd
E36/1080	Western Australia	100%*	Bellpark Minerals Pty Ltd

\* Bellpark has entered into a farm-in and joint venture agreement with Western Yilgarn NL (ASX:WYX) pursuant to which WYX has the right to earn a 95% interest in these tenements. Subsequent to 31 December 2025, the parties terminated the farm-in agreement and the Company surrendered both projects.

### Cerro Bayo Gold-Silver Project, Chile

The below mining concessions in the Aysen Region of Southern Chile are held 100% by Compania Minera Cerro Bayo SpA:

ARROYO 1-25	LARGA 1-84
ARROYO 31-40	CASCADA 1-100
BUITRERA 61-90	ALPACA 4-15 Y 19-45
BUITRERA 91-120	GUANACA 6-17, 23-34 Y 38-87
GUANACA 101-106	LAGUNA 10-20, 30-40, 45-60, 62-80 Y 82-100
GUANACA 131-158	RIBERA 6-12, 18-24, 30-36, 41-48 Y 50-60
GUANACA 161-190	ROCA 5-15, 20-30 Y 32-100
GUANACA 191-220	PUNTA 3-15, 18-30, 33-45, 47-60, 62-75, 78-81 Y 88-90
GUANACA 221-243	ORILLA 12-15, 27-30, 37-45, 47-60 Y 62-75
JARA 1-100	EDITH 3 1/60
NIEVES 1-30	EDITH 4 1/60
NIEVES 31-60	EDITH 5 1/60
NIEVES 61-90	EDITH 6 1/60
NIEVES 91-120	EDITH 7 1/28
NIEVES 121-150	EDITH 8 1/56
LAPIZ 1-7	EDITH 9 1/56
PERRA 101-123	EDITH 10 1/38
PERRA 131-160	EDITH 11 1/60
PERRA 161-190	MIRASOL 1 1/56
PERRA 191-220	MIRASOL 2 1/36
PERRA 221-244	MIRASOL 3 1/36
CARRERA 1-37	EDITH 12 1/40
MALLINES 1-100	EDITH 13 1/60
HORQUETAS 1-75	EDITH 14 1/60
BUITRERA 1-60	EDITH 15 1/50
BRILLANTES 1-100	EDITH 16 1/50
BAYO 1-70	EDITH 17 1/43
MESETA 1-100	MIRASOL 4 1/20
AGUILA 1-100	MIRASOL 5 1/30
SINTER 1-100	MIRASOL 6 1/45
BAHIA 1-100	JOE 1 1/20
VERDE 1-60	EDITH 2 1/40
PERRA 1-66	MIRASOL 7 1/15
VICUNA 1-45	CMCB 10
CMCB 1	CMCB 11
CMCB 2	CMCB 12
CMCB 3	CMCB 13

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## SCHEDULE OF MINING TENEMENTS



CMCB 4	CMCB 14
CMCB 5	CMCB 15
CMCB 6	CMCB 16
CMCB 7	CMCB 17
CMCB 8	CMCB 18
CMCB 9	

### Los Domos Silver-Gold Project, Chile

PEDREGOSO I 1/30	ELECTRUM 11 CC
PEDREGOSO VII 1/30	ELECTRUM 6A 1/36
HONDA 20 1/20	ELECTRUM 7A 1/44
ELECTRUM 3A 1/24	ELECTRUM EE
ELECTRUM 10 1/20	ELECTRUM FF
ELECTRUM 4A 1/26	ELECTRUM GG
ELECTRUM 5A 1/42	ELECTRUM HH

### Cerro Diablo Silver-Gold Project, Chile

DIABLO 1	DIABLO 8
DIABLO 2	DIABLO 9
DIABLO 3	DIBALO 10
DIABLO 4	DIABLO 11
DIABLO 5	DIABLO 12
DIABLO 6	DIABLO 13
DIABLO 7	

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