

**Ticker:** APM CN      **Cash and mkt. sec.:** US\$101m      **Project:** San Bartolome/ Golden Queen  
**Market cap:** C\$256m      **Price:** C\$1.71/sh      **Country:** Bolivia / USA  
**REC. (unc):** BUY      **TARGET (+0.30):** C\$2.50/sh      **RISK RATING (unc):** HIGH

In our view today's Q4 was a strong result – most importantly APM delivered a second straight quarter of very consistent cash flow at US\$17.9m vs ~US\$17m the prior quarter. There were no major surprises in 2025 guidance (total 103-117koz) – production levels, AISC and capex were at similar levels to the 4Q24 run rate. The one area of variance was San Bartolome cost of goods sold operating margin (CGOM) which was US\$6.5-8.4/oz for the year, less than the US\$9.15/oz achieved in 2024 and US\$11.09/oz in 4Q24. We think this is conservatism rather than reflecting underlying changes. On the call, management conceded that at current FX (the Bolivian currency depreciation has helped margins) and silver prices, margins would more likely be closer to Q4 (i.e. higher) than their more conservative guidance.

**Model changes:** We update for the annual financials and guidance. At Golden Queen we model 58kozpa AuEq for 2025 and 62kozpa from 2026-2028, flattening our modelled production profile, and we model US\$8m sustaining capex/year (prev US\$2.6m/year) from 2026-2028, offset by a US\$5m lift in our nominal NAV exploration upside to US\$15m from US\$10m. We think higher capex makes sense given the potential for mine life extensions. At San Bartolome we lift our LT CGOM estimate to US\$9.50/oz, in light of the margin improvements that have been made. Overall, the changes result in our San Bartolome NAV increasing to US\$120m (prev US\$86m) while Golden Queen moderates to US\$84m (prev US\$109m). Overall NAV increases to US\$274m (prev US\$241m).

**We maintain our BUY rating and lift our target price to C\$2.50/sh (prev C\$2.20/sh) based on 1.0xNAV5% (unch) at US\$30/oz Ag and US\$2300/oz Au LT on model roll forward and FX.** Andean now has US\$31m net cash, has put together three quarters of positive cash flow. We think they now have the balance sheet, FCF yield (SCPe 31%), and track record to be worth backing to be a platform for further growth.

**Table 1: 4Q24 vs SCPe and 3Q24**

Operations	3Q24A	4Q24E	4Q24A	QoQ	vs SCPe	Financials	3Q24A	4Q24E	4Q24A	QoQ	vs SCPe
Golden Queen - Ore mined (Mt)	0.69	1.02	1.01	46%	-1%	Silver Eq sold (000oz)	2.31	2.99	2.35	2%	-21%
Grade mined (g/tAu)	0.51	0.70	0.64	25%	-9%	Revenue (US\$m)	68.3	91.9	72.8	7%	-21%
Strip ratio (x)	7.7	5.9	4.8	-38%	-19%	EBITDA (US\$m)	19.6	24.0	24.3	24%	1%
Au Eq production (koz)	14.0	16.3	12.3	-13%	-25%	Net income (US\$m)	8.2	10.0	1.7	-79%	-83%
AISC (US\$/oz)	2,300	1,929	2,139	-7%	11%	Cash flow from ops (US\$m)	23.4	22.4	24.9	6%	11%
San Bartolome - AgEq production (Moz)	1.2	1.6	1.7	47%	9%	Cash flow from investing (US\$m)	-6.5	-6.2	-12.2	88%	98%
CGOM (US\$/oz)	14.0	7.9	11.1	-21%	41%	FCF (US\$m)	16.9	16.3	17.9	5%	10%
AgEq Total production (Moz)	2.3	2.7	2.4	3%	-10%	Change in net cash (US\$m)	4.7	16.3	3.5	-26%	-79%
AuEq Total production (koz)	27.8	31.5	29.8	7%	-5%	Net cash at end (1) (US\$m)	27.2	43.5	30.7	13%	-29%

Source: Andean Precious Metals; SCPe; (1) includes cash and marketable securities less debt

#### 4Q24: Andean sustains momentum with US\$18m FCF led by a strong quarter at San Bartolome

Today, Andean reported its Q4 results. **Production:** the San Bartolomé complex produced 1.43Moz AgEq, bringing full-year production to 4.51Moz AgEq. San Bartolomé delivered a cash gross operating margin (CGOM) of US\$11.09/oz in Q4, compared to a full-year CGOM of US\$9.15/oz, reflecting higher realized silver prices and improved cost performance. Meanwhile, the Golden Queen mine produced 12.3koz AuEq in Q4, totaling 54.8koz AuEq for the year. Q4 AISC at Golden Queen was US\$2,139/oz, resulting in a full-year AISC of US\$2,015/oz.

**Financials:** Q4 consolidated revenue was US\$72.8m with US\$17.9m free cash flow. Net income for the quarter was US\$1.7m, cash flow from operations reached US\$25.9m, and capex totaled US\$7.0m. Full-year 2024 revenue was reported at US\$254m and net income of US\$19.2m. Andean ended 2024 with US\$101m in liquid assets, including US\$62.4m cash, US\$38.6m marketable securities, and US\$70.3m debt

**2025 Guidance:** The company provided its 2025 guidance, forecasting San Bartolomé's cash gross operating margin (CGOM) at US\$6.50-8.40/oz and Golden Queen's AISC at US\$1,950-2,150/oz. Total growth and sustaining capital expenditures for 2025 are expected to range between US\$28.2 million and US\$32.0 million, compared to US\$31.7 million spent in 2024.

Table 2: 2025 Guidance Table

Production guidance	Au (koz)	Ag (koz)	AuEq (koz)	Capex guidance (US\$m)	Updated
Golden Queen	50.0 - 55.0	0.2 - 0.5	52.2 - 60.6	Golden Queen sustaining capital	12.7 - 14.0
San Bartolomé	1.8 - 2.2	4.4 - 4.9	50.7 - 56.6	San Bartolomé sustaining capital	5.6 - 6.2
<b>Consolidated</b>	<b>51.8 - 57.2</b>	<b>4.6 - 5.4</b>	<b>102.9 - 117.2</b>	<b>Total sustaining capital</b>	<b>18.3 - 20.2</b>
				Golden Queen growth capital	9.3 - 11.0
				San Bartolomé growth capital	0.6 - 0.8
				<b>Total growth capital</b>	<b>9.9 - 11.8</b>
				Golden Queen capex	6.2 - 7.0
				San Bartolomé capex	22.0 - 25.0
				<b>Total capex</b>	<b>28.2 - 32.0</b>

Source: Andean Precious Metals; CGOM = cash gross operating margin

### Conference Call Colour:

- On San Bartolome we noted they beat revised (after 3Q24) full year CGOM guidance of US\$7/oz by US\$2.15/oz. The company noted that the two main variables were rising silver prices, and falling Bolivian FX rates which lowers their cost base. They answered that if prices and FX remain the same, margins would more likely be similar to 4Q24 (US\$11/oz) than guidance (US\$6.50-8.40/oz)
- On Golden Queen, growth capex was mainly fleet in 2024 and again in 2025. Sustaining capex is largely processing plant and stacking equipment related. Exploration for mine life extension is a focus- they expect to have more colour on this following 1Q25 results.

### Why we like Andean

- San Bartolome is Bolivia's only Ag oxide mill, new Ag oxide discoveries being made in Bolivia
- Now has two producing assets in the Americas

### Catalysts

- 2025: Continued strong cash flow (SCPe ~US\$60m)
- Ongoing: Exploration, growth, and M&A review

### Research

Justin Chan (London) m +44 7554 784 688 [jchan@scp-rf.com](mailto:jchan@scp-rf.com)

Omeet Singh (Toronto) m +1 647 527 7509 [osingh@scp-rf.com](mailto:osingh@scp-rf.com)

Moatasm Almaouie (Toronto) m +1 780 299 5151 [malmaouie@scp-rf.com](mailto:malmaouie@scp-rf.com)

Ticker: APM CN	Price / mkt cap: C\$1.71/sh, C\$256m	Market P/NAV: 0.69x	Assets: San Bart./Soledad Mtn.
Author: J Chan	Rec / PT: BUY / C\$2.50	1xNAV <sub>1Q25</sub> FD: C\$2.46/sh	Country: Bolivia / USA

Group-level SOTP valuation	4Q24A	1Q25E				Resource / Reserve	Mt	Moz Ag	Moz Au	EV/oz Ag	EV/oz AgEq
	US\$m	O/ship	NAVx	C\$/sh		Measured, ind. & inf. - Andean	4.14	28.1		5.5	5.5
San Bartolome NPV 1Q25E	120	100%	1.0x	1.07		SCPe Mine inventory	6.19	36.5		4.2	4.2
Golden Queen NPV 1Q25E	84	100%	1.0x	0.75		<b>Share data</b>					
Central SG&A & fin costs 1Q25E	16	-	1.0x	0.14		Basic shares (m): 149.8	FD + options (m):	154.8	FD + FF	154.8	
Nominal exploration upside	15	-	1.0x	0.13		<b>Commodity price</b>					
Cash and mark. sec. 4Q24A	101	-	1.0x	0.91		Silver price (US\$/oz)	CY23A	CY24A	CY25E	CY26E	CY27E
ST Dore and VAT receivables	8	-	1.0x	0.07		Ratio analysis	CY23A	CY24A	CY25E	CY26E	CY27E
Debt. 4Q24A	(70)	-	1.0x	(0.63)		FD shares out (m)	168.1	166.4	154.8	154.8	154.8
ITM options	1	-	1.0x	0.01		EPS (US\$/sh)	0.229	0.116	0.254	0.125	0.110

1xNAV5% US\$30/oz	274			2.46
<b>Target multiples</b>	<b>Multiple</b>			<b>C\$/sh</b>
Target P/NAV Multiple	1.00x			2.50
Target price				2.50

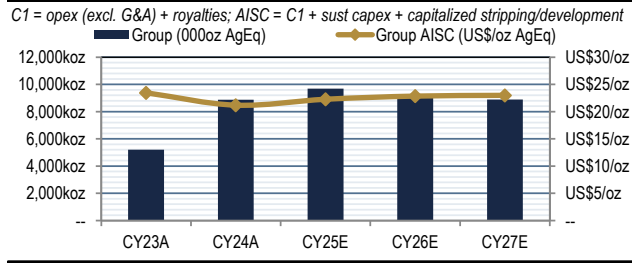
Sensitivity to silver or gold price and discount / NAV multiple					
1xNAV San Bartolome (US\$m)	\$27.5oz	\$30.0oz	\$32.5oz	\$35.0oz	\$37.5oz
7% discount	117	116	115	114	113
5% discount	121	120	119	118	117
3% discount	125	124	123	122	121

1xNAV Soledad Mountain (US\$m)	\$2000oz	\$2300oz	\$2500oz	\$2700oz	\$2900oz
7% discount	42	81	101	121	140
5% discount	43	84	105	126	147
3% discount	44	87	109	131	153
<b>Valuation (C\$/sh)</b>	\$2000oz	\$2300oz	\$2500oz	\$2700oz	\$2900oz
0.80xNAV	1.70	2.00	2.10	2.30	2.40
1.00xNAV	2.10	2.50	2.60	2.80	3.00
1.20xNAV	2.50	3.00	3.20	3.40	3.60

Valuation over time	4Q25E	4Q26E	4Q27E	4Q28E	4Q29E
Mines NPV (US\$m)	211	175	136	95	52
Cntrl G&A & fin costs (US\$m)	19	5	(7)	0	8
Net cash (US\$m)	51	108	146	185	231
Other Assets + Options	16	16	16	16	16
1xNAV (US\$m)	297	304	291	296	307
P/NAV (x):	0.64x	0.63x	0.66x	0.64x	0.62x
1xNAV share px FD (C\$/sh)	2.67	2.73	2.61	2.66	2.75
ROI to equity holder (% pa)	56%	26%	15%	12%	10%
1.3xNAV share px FD (C\$/sh)	3.47	3.55	3.39	3.45	3.58
ROI to equity holder (% pa)	103%	44%	26%	19%	16%

Production (100%)	CY23A	CY24A	CY25E	CY26E	CY27E
San Bartolome (000oz AgEq)	4,715	4,803	4,892	4,411	4,172
San Bartolome cash cost (US\$/oz AgEq)	19.32	18.94	16.82	16.77	16.56
San Bartolome AISC (US\$/oz AgEq)	21.50	21.69	21.15	20.24	20.00
Golden Queen (000oz AuEq)	6	55	58	61	62
Golden Queen cash cost (US\$/oz AuEq)	1,012	1,813	1,698	1,770	1,767
Golden Queen AISC (US\$/oz AuEq)	1,557	2,087	1,999	2,052	1,993
Group (000oz Ag)	4,602	4,817	5,007	4,548	4,311
Group (000oz Au)	7	51	57	60	60
Group (000oz AgEq)	5,202	8,788	9,685	9,224	8,891
Group cash cost (US\$/oz AgEq)	19.80	18.50	20.31	21.33	21.48
Group AISC (US\$/oz AgEq)	23.45	21.17	22.26	22.84	22.98

Income statement	CY23A	CY24A	CY25E	CY26E	CY27E
Revenue (US\$m)	125.3	254.0	293.8	274.4	262.5
COGS (US\$m)	(105.9)	(165.3)	(200.0)	(200.1)	(194.3)
<b>Gross profit (US\$m)</b>	<b>19.4</b>	<b>88.7</b>	<b>93.8</b>	<b>74.3</b>	<b>68.2</b>
Expenses (US\$m)	(22.6)	(18.5)	(29.0)	(25.7)	(19.4)
Impairment & other (US\$m)	-	-	-	-	-
Net finance costs (US\$m)	42.9	(13.0)	9.2	2.5	3.8
Tax (US\$m)	(4.4)	(9.7)	(19.6)	(13.6)	(11.9)
Minority interest (US\$m)	-	-	-	-	-
<b>Net income attr. (US\$m)</b>	<b>47.5</b>	<b>54.4</b>	<b>37.4</b>	-	-
EBITDA	38.5	19.2	39.3	19.3	17.1
<b>Cash flow</b>	<b>CY23A</b>	<b>CY24A</b>	<b>CY25E</b>	<b>CY26E</b>	<b>CY27E</b>
Profit/(loss) after tax (US\$m)	38.5	19.2	39.3	19.3	17.1
Add non-cash items (US\$m)	(28.0)	28.6	30.9	31.5	31.2
Less wkg cap / other (US\$m)	(6.4)	(0.8)	18.4	21.2	0.9
<b>Cash flow ops (US\$m)</b>	<b>4.2</b>	<b>47.1</b>	<b>88.6</b>	<b>72.0</b>	<b>49.2</b>
PP&E (US\$m)	(6.0)	(22.1)	(29.7)	(14.8)	(11.4)
Other (US\$m)	(9.0)	(38.2)	-	-	-
<b>Cash flow inv. (US\$m)</b>	<b>(15.0)</b>	<b>(60.3)</b>	<b>(29.7)</b>	<b>(14.8)</b>	<b>(11.4)</b>
Debt draw (repayment) (US\$m)	(7.8)	(9.8)	(39.2)	(13.1)	(13.3)
Equity issuance (US\$m)	-	-	-	-	-
Other (US\$m)	(1.5)	16.5	-	-	-
<b>Cash flow fin. (US\$m)</b>	<b>(9.3)</b>	<b>6.7</b>	<b>(39.2)</b>	<b>(13.1)</b>	<b>(13.3)</b>
Net change post forex (US\$m)	(20.2)	(6.5)	19.6	44.1	24.5
<b>Balance sheet</b>	<b>CY23A</b>	<b>CY24A</b>	<b>CY25E</b>	<b>CY26E</b>	<b>CY27E</b>
Cash (US\$m)	64.9	62.4	82.1	126.2	150.7
Accounts receivable (US\$m)	0.9	1.7	1.9	2.0	1.9
Inventories (US\$m)	68.4	81.3	55.5	37.8	36.7
PPE & exploration (US\$m)	92.4	106.4	105.1	88.5	68.6
Other (US\$m)	43.4	63.3	63.3	63.3	63.3
<b>Total assets (US\$m)</b>	<b>269.9</b>	<b>315.1</b>	<b>307.9</b>	<b>317.7</b>	<b>321.2</b>
Debt (US\$m)	47.5	70.3	31.1	18.0	4.7
Other liabilities (US\$m)	90.5	93.7	86.6	90.1	89.8
Shareholders equity (US\$m)	25.5	22.0	22.0	22.0	22.0
Retained earnings (US\$m)	106.4	129.1	168.3	187.6	204.7
Minority int. & other (US\$m)	-	-	-	-	-
<b>Liabilities+equity (US\$m)</b>	<b>269.9</b>	<b>315.1</b>	<b>307.9</b>	<b>317.7</b>	<b>321.2</b>



Source: SCP estimates

**DISCLOSURES & DISCLAIMERS**

This research report (as defined under CIRO Rule 3600, Part B) is issued and approved for distribution in Canada by SCP Resource Finance LP (“SCP”), an investment dealer who is a member of The Canadian Investment Regulatory Organization (“CIRO”) and the Canadian Investor Protection Fund (“CIPF”). This research report is provided to retail clients and institutional investors for information purposes only. The opinions expressed in this report are the opinions of the author and readers should not assume they reflect the opinions or recommendations of SCP’s research department. The information in this report is drawn from sources believed to be reliable but the accuracy or completeness of the information is not guaranteed, nor in providing it does SCP or persons assume any responsibility or liability whatsoever. This report is not to be construed as an offer to sell or a solicitation of an offer to buy any securities. SCP accepts no liability whatsoever for any loss arising from any use or reliance on this research report or the information contained herein. Past performance is not a guarantee of future results, and no representation or warranty, expressed or implied, is made regarding future performance of any security mentioned in this research report. The price of the securities mentioned in this research report and the income they generate may fluctuate and/or be adversely affected by market factors or exchange rates, and investors may realize losses on investments in such securities, including the loss of investment principal. Furthermore, the securities discussed in this research report may not be liquid investments, may have a high level of volatility or may be subject to additional and special risks associated with securities and investments in emerging markets and/or foreign countries that may give rise to substantial risk and are not suitable for all investors. SCP may participate in an underwriting of, have a position in, or make a market in, the securities mentioned herein, including options, futures or other derivatives instruments thereon, and may, as a principal or agent, buy or sell such products.

**DISSEMINATION OF RESEARCH:** SCP’s research is distributed electronically through email or available in hard copy upon request. Research is disseminated concurrently to a pre-determined list of clients provided by SCP’s Institutional Sales Representative and retail Investment Advisors. Should you wish to no longer receive electronic communications from us, please contact [unsubscribe@scp-rf.com](mailto:unsubscribe@scp-rf.com) and indicate in the subject line your full name and/or corporate entity name and that you wish to unsubscribe from receiving research.

**RESEARCH ANALYST CERTIFICATION:** Each Research Analyst and/or Associate who is involved in the preparation of this research report hereby certifies that:

- The views and recommendations expressed herein accurately reflect his/her personal views about any and all of the securities or issuers that are the subject matter of this research report;
- His/her compensation is not and will not be directly related to the specific recommendations or view expressed by the Research analyst in this research report;
- They have not affected a trade in a security of any class of the issuer within the 30-day period prior to the publication of this research report;
- They have not distributed or discussed this Research Report to/with the issuer, investment banking group or any other third party except for the sole purpose of verifying factual information; and
- They are unaware of any other potential conflicts of interest.

**UK RESIDENTS:** SCP Partners UK Limited (“SCP UK”) is an appointed representative of PillarFour Securities LLP which is authorized and regulated by the Financial Conduct Authority. This document has been approved under section 21(1) of the FMSA 2000 by PillarFour Securities LLP (“PillarFour”) for communication only to eligible counterparties and professional clients as those terms are defined by the rules of the Financial Conduct Authority. Its contents are not directed at UK retail clients. PillarFour does not provide investment services to retail clients. PillarFour publishes this document as non-independent research which is a marketing communication under the Conduct of Business rules. It has not been prepared in accordance with the regulatory rules relating to independent research, nor is it subject to the prohibition on dealing ahead of the dissemination of investment research. It does not constitute a personal recommendation and does not constitute an offer or a solicitation to buy or sell any security. SCP UK and PillarFour consider this note to be an acceptable minor non-monetary benefit as defined by the FCA which may be received without charge. This is because the content is either considered to be commissioned by SCP UK’s clients as part of their advisory services to them or is short term market commentary. Neither SCP UK nor PillarFour nor any of its directors, officers, employees or agents shall have any liability, howsoever arising, for any error or incompleteness of fact or opinion in it or lack of care in its preparation or publication; provided that this shall not exclude liability to the extent that this is impermissible under the law relating to financial services. All statements and opinions are made as of the date on the face of this document and are not held out as applicable thereafter. This document is intended for distribution only in those jurisdictions where PillarFour is permitted to distribute its research.

**IMPORTANT DISCLOSURES FOR U.S. PERSONS:** This research report was prepared by SCP Resource Finance LP (“SCP”), a company authorized to engage in securities activities in Canada. SCP is not a registered broker/dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to “major U.S. institutional investors” in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Sprott Global Resource Investments Ltd. (“SGRIL”), a broker dealer in the United States registered with the Securities Exchange Commission (“SEC”), the Financial Industry Authority (“FINRA”), and a member of the Securities Investor Protection Corporation (“SIPC”). Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through SCP.

SGRIL accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor. The analyst whose name appears in this research report is not licensed, registered, or qualified as a research analyst with FINRA and may not be an associated person of SGRIL and, therefore, may not be subject to applicable restrictions under FINRA Rule 2241 regarding communications by a research analyst with a subject company, public appearances by the research analyst, and trading securities held by a research analyst account. To make further inquiries related to this report, United States residents should contact their SGRIL representative.

**ANALYST CERTIFICATION / REGULATION AC:** The analyst and associate certify that the views expressed in this research report accurately reflect their personal views about the subject securities or issuers. In addition, the analyst and associate certify that no part of their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

**SCP RESOURCE FINANCE EXPLANATION OF RECOMMENDATIONS:** Should SCP issue research with recommendations, the research rating guidelines will be based on the following recommendations:

**BUY:** The stocks total returns are expected to be materially better than the overall market with higher return expectations needed for more risky securities markets

**NEUTRAL:** The stock's total returns are expected to be in line with the overall market

**SELL:** The stocks total returns are expected to be materially lower than the overall market

**TENDER:** The analyst recommends tendering shares to a formal tender offering

**UNDER REVIEW:** The stock will be placed under review when there is a significant material event with further information pending; and/or when the research analyst determines it is necessary to await adequate information that could potentially lead to a re-evaluation of the rating, target price or forecast; and/or when coverage of a particular security is transferred from one analyst to another to give the new analyst time to reconfirm the rating, target price or forecast.

**NOT RATED (N/R):** The stock is not currently rated

Research Disclosure		Response
1	SCP collectively beneficially owns 1% or more of any class of the issuer's equity securities <sup>1</sup>	NO
2	The analyst or any associate of the analyst responsible for the report or recommendation or any individual directly involved in the preparation of the report holds or is short any of the issuer's securities directly or through derivatives	NO
3	An SCP partner, director, officer or analyst involved in the preparation of a report on the issuer, has during the preceding 12 months provided services to the issuer for remuneration other than normal course investment advisory or trading execution services	NO
4	SCP has provided investment banking services for the issuer during the 12 months preceding the date of issuance of the research report or recommendation	NO
5	Name of any director, officer, employee or agent of SCP who is an officer, director or employee of the issuer, or who serves in an advisory capacity to the issuer	NO
6	SCP is making a market in an equity or equity related security of the issuer	NO
7	The analyst preparing this report received compensation based upon SCP's investment banking revenue for the issuer	NO
8	The analyst has conducted a site visit and has viewed a major facility or operation of the issuer	NO
9	The analyst has been reimbursed for travel expenses for a site visit by the issuer	NO

SCP Resource Finance Equity Research Ratings:

Summary of Recommendations as of March 2025	
BUY:	47
HOLD:	0
SELL:	0
UNDER REVIEW:	1
TENDER:	0
NOT RATED:	0
TOTAL	48

<sup>1</sup> As at the end of the month immediately preceding the date of issuance of the research report or the end of the second most recent month if the issue date is less than 10 calendar days after the end of the most recent month