

**Ticker:** APM CN      **Cash and mkt. sec.:** US\$167m      **Project:** San Bartolome / Golden Queen  
**Market cap:** C\$1,029m      **Price:** C\$6.87/sh      **Country:** Bolivia / USA  
**REC. (unc):** BUY      **TARGET (unc):** C\$13.00/sh      **RISK RATING (unc):** HIGH

Today's 1Q25 production is a strong start to the year with the production rate annualizing to ~109kozpa AuEq, comfortably within 100-114koz full year guidance, despite the fact that guidance is 45-55% H2-weighted and implying H1 should be softer. Production beat our estimates and last year's Q1 for both assets, driven by higher throughput and a 25% increase in grades (YoY) at San Bartolome. Overall we see this as a strong start to the year with both assets performing well. The next major catalyst is the updated MRE at Golden Queen, which we expect mid-year (3Q26 per the conference call). A good outcome would be mine extension through 2033, matching the investments in additional leach pad capacity planned over the next two years.

**Model changes:** We are updating our model for 1Q25 production and today's commentary, shifting production to 45% H1 and 55% H2 in line with guidance, suggesting a softer 2Q. We model consolidated production of 108Koz AuEq (at the company's Au:Ag ratio of 85) towards the upper end of guidance. For Q1 we forecast US\$23m FCF, ramping up to US\$69m in H2. **As such, we maintain our BUY rating and our price target of C\$13.00/sh based on 2.0x NAV5% at US\$50/oz Ag and US\$3,600/oz Au LT.** We estimate US\$94m FCF for 2026, putting APM on a healthy 13% FCF yield on yesterday's close. We think the reason to own the stock are the combination of net cash balance sheet, strong cash flow generation and prudent acquisition track record as Andean looks to add a third asset to become a mid-tier producer.

**Table 1: 1Q26 vs SCPe and 4Q25**

Operations	4Q25A	1Q26E	1Q26A	QoQ	vs SCPe
Golden Queen - Au production (koz)	10.9	9.6	10.6	-2%	10%
Ag production (koz)	87	61	76	-13%	25%
San Bartolome - Au production (koz)	1.7	0.9	1.4	-17%	59%
Ag production (koz)	1,284	1,161	1,229	-4%	6%
Au total production (koz)	12.5	10.5	12.0	-4%	15%
Ag total production (koz)	1,371	1,222	1,305	-5%	7%
Au total sold (koz)	12.3	10.5	12.0	-2%	15%
Ag total sold (koz)	1,377	1,222	1,317	-4%	8%

Source: Andean Precious Metals; SCPe

## 1Q26 production – strong beat with production guided to improve further in H2

Today, Andean reported 1Q26 production of 27.3koz AuEq (1.31Moz Ag and 12.0koz Au) including 10.6koz Au and 76koz Ag at Golden Queen and 1.23Moz Ag and 1.4koz Au at San Bartolome. Consolidated sales was 27.5koz AuEq (1,317koz Ag and 12.0koz Au) including 10.4koz Au and 76koz Ag at Golden Queen and 1.26Moz Ag and 1.4koz Au at San Bartolome. Andean reiterated full-year guidance at 46-54koz Au and 4.6-5.1Moz Ag for 100-114koz AuEq with 55% weighted to H2. The 1Q26 conference call is scheduled for Wednesday 13 May at 9am eastern time (webcast registration [here](#)). Last month, Andean announced that company President Yohann Bouchard (Prev COO at New Gold and Yamana) and the company have mutually agreed to part ways. To support the transition, Mr. Bouchard will be engaged by the company in a consulting capacity.

## Why we like Andean Precious Metals

1. Two producing assets totalling ~100koz AuEq
2. ~US\$120m cash with net cash balance sheet to pursue further growth
3. Track record of accretive growth and considered capital allocation

## Catalysts

- 2026: Continued strong free cash flow (SCPe ~US\$110m)

- Mid-26 (SCPe Q3): Golden Queen revised MRE
- Ongoing: Exploration, growth, and M&A review

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Ticker: APM CN	Price / mkt cap: C\$6.87/sh, C\$1029m	Market P/NAV: 1.06x	Assets: San Bart./Soledad Mtn.
Author: J Chan	Rec / PT: BUY / C\$13.00	1xNAV <sub>2025</sub> FD: C\$6.50/sh	Country: Bolivia / USA

Group-level SOTP valuation	4Q25	1Q26E		
	US\$m	O/ship	NAVx	C\$/sh
San Bartolome NPV 1Q26E	441	100%	1.0x	3.93
Golden Queen NPV 1Q26E	251	100%	1.0x	2.23
Central SG&A & fin costs 1Q26E	(106)	-	1.0x	(0.95)
Nominal exploration upside	15	-	1.0x	0.13
Cash and short-term mark. sec. 4Q25	167	-	1.0x	1.48
ST Dore and VAT receivables	8	-	1.0x	0.07
Debt. 4Q25	(45)	-	1.0x	(0.40)
ITM options	-	-	1.0x	-

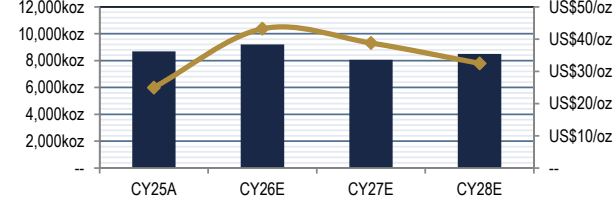
1xNAV5% US\$50/oz	731	6.50
Target multiples	Multiple	C\$/sh
Target P/NAV Multiple	2.00x	13.00
Target price		13.00

Sensitivity to silver or gold price and discount / NAV multiple					
1xNAV San Bartolome (US\$m)	\$20.0oz	\$35.0oz	\$50.0oz	\$75.0oz	\$100.0oz
7% discount	240	327	413	557	701
5% discount	252	346	441	599	758
3% discount	265	369	473	647	822
1xNAV Golden Queen (US\$m)	\$2400oz	\$3000oz	\$3600oz	\$4300oz	\$5000oz
7% discount	50	147	237	342	447
5% discount	50	154	251	364	478
3% discount	49	162	267	390	513
Valuation (C\$/sh)	\$2400oz	\$3000oz	\$3600oz	\$4300oz	\$5000oz
0.90xNAV	4.31	5.11	5.85	6.72	7.59
1.00xNAV	4.79	5.68	6.50	7.46	8.43
1.25xNAV	5.99	7.10	8.13	9.33	10.54

Valuation over time	4Q25A	4Q26E	4Q27E	4Q28E	4Q29E
Mines NPV (US\$m)	746	718	616	553	493
Cntrl G&A & fin costs (US\$m)	(166)	(113)	(87)	(104)	(79)
Net cash (US\$m)	34	128	228	283	394
Other Assets + Options	15	15	15	15	15
1xNAV (US\$m)	629	748	771	748	824
P/NAV (x):	1.23x	1.03x	1.00x	1.03x	0.94x
1xNAV share px FD (C\$/sh)	5.59	6.65	6.86	6.65	7.33
ROI to equity holder (% pa)	-19%	-2%	0%	-1%	1%
1.3xNAV share px FD (C\$/sh)	7.27	8.65	8.92	8.65	9.52
ROI to equity holder (% pa)	6%	12%	9%	6%	7%

Production (100%)	CY25A	CY26E	CY27E	CY28E	CY29E
San Bartolome (000oz AgEq)	4,847	4,797	4,720	4,738	4,738
San Bartolome CGOM	16.1	28.0	21.6	18.0	18.0
San Bartolome AISC (US\$/oz AgEq)	27.17	43.69	37.58	30.30	30.30
Golden Queen (000oz AuEq)	45.3	50	53	52	52
Golden Queen cash cost (US\$/oz AuEq)	1,698	1,704	1,973	2,038	2,038
Golden Queen AISC (US\$/oz AuEq)	2,194	2,204	2,393	2,423	2,355
Group (000oz Ag)	4,785	4,726	4,902	4,902	4,902
Group (000oz Au)	46	53	50	50	50
Group (000oz AgEq)	8,678	9,201	8,061	8,494	8,494
Group cash cost (US\$/oz AgEq)	22.50	40.49	35.57	29.57	29.57
Group AISC (US\$/oz AgEq)	24.96	43.21	38.79	32.48	32.48

C1 = opex (excl. G&A) + royalties; AISC = C1 + sust capex + capitalized stripping/development  
 ■ Group (000oz AgEq)    ● Group AISC (US\$/oz AgEq)



Source: SCP estimates

Resource / Reserve	Mt	Moz Ag	EV/oz Ag	EV/oz AgEq
Measured, ind. & inf. - Andean	4.14	28.1	22.8	22.8
SCPe Mine inventory	17.04	69.3	9.2	9.2

Share data					
Basic shares (m):	149.8	FD + options (m):	154.0	FD + FF	154.0

Commodity price	CY25A	CY26E	CY27E	CY28E	CY28E
Silver price (US\$/oz)	40.1	72.5	60.0	50.0	50.0
Ratio analysis	CY25A	CY26E	CY27E	CY28E	CY28E
FD shares out (m)	149.8	149.8	149.8	149.8	149.8
EPS (US\$/sh)	0.789	0.833	0.583	0.472	0.485
CFPS before w/c (US\$/sh)	0.91	1.03	0.73	0.62	0.63
FCFPS pre growth spend (US\$/sh)	0.47	0.80	0.84	0.43	0.74
FCF/sh (US\$/sh)	0.35	0.63	0.67	0.37	0.74
FCF yield - pre growth spend (%)	9.5%	15.9%	16.7%	8.7%	14.8%
FCF yield (%)	7.0%	12.5%	13.3%	7.3%	14.8%
EBITDA margin (%)	36.4%	39.3%	34.1%	33.2%	33.2%
FCF margin (%)	14.5%	16.8%	21.1%	13.4%	27.1%
ROA (%)	27.2%	23.3%	13.4%	10.2%	9.5%
ROE (%)	44.8%	31.7%	18.1%	12.8%	11.6%
ROCE (%)	32.5%	41.9%	26.2%	18.9%	16.8%
PER (x)	6.3x	6.0x	8.6x	10.6x	10.3x
P/CF (x)	5.4x	4.9x	6.8x	8.1x	7.9x
EV/EBITDA (x)	5.4x	2.8x	3.2x	3.4x	2.6x

Income statement	CY25A	CY26E	CY27E	CY28E	CY28E
Revenue (US\$m)	359.8	560.2	474.7	409.9	409.9
COGS (US\$m)	(202.0)	(314.2)	(291.3)	(255.4)	(255.4)
Gross profit (US\$m)	157.9	246.1	183.4	154.4	154.4
Expenses (US\$m)	(43.1)	(49.5)	(44.0)	(40.9)	(40.9)
Impairment & other (US\$m)	-	-	-	-	-
Net finance costs (US\$m)	39.0	(3.1)	(2.4)	(2.1)	(0.2)
Tax (US\$m)	(35.7)	(68.6)	(49.6)	(40.7)	(40.7)
Minority interest (US\$m)	-	-	-	-	-
Net income attr. (US\$m)	118.2	124.9	87.4	70.7	72.6
EBITDA	131.1	219.9	162.0	136.0	136.0

Cash flow	CY25A	CY26E	CY27E	CY28E	CY28E
Profit/(loss) after tax (US\$m)	118.2	124.9	87.4	70.7	72.6
Add non-cash items (US\$m)	17.8	29.2	22.6	22.5	22.5
Less wkg cap / other (US\$m)	(44.2)	(14.2)	35.1	(8.2)	32.7
Cash flow ops (US\$m)	91.7	139.9	145.1	85.0	127.8
PP&E (US\$m)	(34.0)	(46.0)	(45.1)	(29.9)	(16.6)
Other (US\$m)	(5.5)	-	-	-	-
Cash flow inv. (US\$m)	(39.4)	(46.0)	(45.1)	(29.9)	(16.6)
Debt draw (repayment) (US\$m)	(29.7)	(14.3)	(4.5)	(24.1)	(1.7)
Equity issuance (US\$m)	-	-	-	-	-
Other (US\$m)	(2.0)	-	-	-	-
Cash flow fin. (US\$m)	(31.6)	(14.3)	(4.5)	(24.1)	(1.7)
Net change post forex (US\$m)	20.7	79.6	95.4	30.9	109.4

Balance sheet	CY25A	CY26E	CY27E	CY28E	CY28E
Cash (US\$m)	79.2	158.8	254.2	285.2	394.6
Accounts receivable (US\$m)	2.0	2.2	3.5	3.0	3.0
Inventories (US\$m)	61.0	60.0	60.0	60.0	27.4
PPE & exploration (US\$m)	122.5	145.2	167.7	175.1	169.3
Other (US\$m)	169.3	169.3	169.3	169.3	169.3
Total assets (US\$m)	433.9	535.6	654.8	692.6	763.6
Debt (US\$m)	45.1	30.8	26.3	2.1	0.4
Other liabilities (US\$m)	125.2	110.3	146.6	137.9	138.0
Shareholders equity (US\$m)	23.6	29.5	29.5	29.5	29.5
Retained earnings (US\$m)	240.0	364.9	452.3	523.1	595.7
Minority int. & other (US\$m)	-	-	-	-	-
Liabilities+equity (US\$m)	433.9	535.6	654.8	692.6	763.6

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BUY:	60
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TENDER:	0
NOT RATED:	0
TOTAL	60

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