

Aftermath Silver Ltd.
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NEWS RELEASE

FOR IMMEDIATE RELEASE

January 11, 2023
(AAG2023 – NR #1)

Aftermath Silver Ltd Announces Amended Terms for the Cachinal Silver-Gold Project Acquisition in Chile & Grants Stock Options

Vancouver, BC, January 11, 2023. Aftermath Silver Ltd. (the “Company” or “Aftermath Silver”) (TSX-V: AAG) (OTCQX: AAGFF) is pleased to announce that amendments have been made to the non-binding term sheet (the “Term Sheet”) signed on June 9, 2022, with Honey Badger Silver inc. (“Honey Badger”) (see NR dated June 10, 2022), with regards to the proposed acquisition by Honey Badger of a 100% interest in the Cachinal De La Sierra Silver-Gold Project (the “Cachinal Project” or “Cachinal”), located in the Cachinal de la Sierra area in Chile's Antofagasta region (Region II).

Amended Payment Terms:

- On closing Honey Badger will pay to Aftermath C\$652,000 in cash and issue common shares of Honey Badger to Aftermath having a value of C\$1,000,000 at a deemed price per share equal to the greatest of: (a) C\$0.05 per share⁽¹⁾; (b) the volume weighted average price (“VWAP”) of Honey Badger’s common shares trading on the TSX Venture Exchange (the “TSXV”) for the thirty (30) day period immediately preceding the closing; and (c) the maximum permitted discount to “market price” under the policies of the TSXV. Assuming a deemed price of C\$0.05/share, it is anticipated that Aftermath would hold approximately 10% of the issued and outstanding shares of Honey Badger following closing.
- Honey Badger shall have the option to make the following payments in cash or by issuance of common shares of Honey Badger at a deemed price per share equal to the greatest of: (a) C\$0.05 per share⁽¹⁾; (b) the VWAP of Honey Badger’s common shares trading on the TSXV for the thirty (30) day period immediately preceding the date on which the payment is due; and (c) the maximum permitted discount to “market price” under the policies of the TSXV:
 - C\$200,000 by May 31st, 2023;
 - C\$400,000 by March 31, 2024; and
 - C\$400,000 by September 31, 2024.
- Upon the commencement of commercial production at the Cachinal Project, Honey Badger shall pay in cash or shares at Aftermath’s option, C\$0.50 per payable silver ounce produced at the Cachinal Project, up to an aggregate of C\$2,500,000. Honey Badger will also grant Aftermath a 1% net smelter returns royalty with a complete buyback option at Honey Badger's sole discretion for a purchase price of C\$8.5-million.

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- **Hold Period:** In addition to any hold periods imposed by applicable securities laws, it is anticipated that the Company will enter into a lock-up agreement with Honey Badger on closing providing that any Honey Badger shares issued to Aftermath as consideration for the Cachinal Project will be subject to the following contractual restrictions on transfer, subject to customary exceptions: (i) 50% of shares issued shall have a contractual hold period expiring six months and one day from the date of issuance, and (ii) the remaining 50% of shares issued shall have a contractual hold period expiring twelve-months and one day from the date of issuance. It is anticipated that the lock-up agreement will contain customary covenants with respect to voting as well as restrictions on the aggregate dispositions following expiration of the lock-up period.
- Aftermath and Honey Badger have mutually agreed to extend the non-binding Term Sheet and Exclusivity End Date to March 31, 2023.

Note:

(1) *The deemed price per share shown is based on a pre-consolidated basis in reference to Honey Badger's proposed share consolidation announced on December 16, 2022 (the "Consolidation"). If the closing occurs after the effectiveness of the Consolidation, then the deemed price per share at which the closing share consideration will be issued will be adjusted accordingly.*

Stock Option Grant

The Company has granted an aggregate of 3,250,000 incentive stock options to certain directors, officers and consultants of the Company at a price of \$0.35 per share for a period of five years. The options are subject to regulatory approval and are granted under the Company's stock option plan.

About Aftermath Silver Ltd.

Aftermath Silver Ltd. is a leading Canadian junior exploration company focused on silver, and aims to deliver shareholder value through the discovery, acquisition and development of quality silver projects in stable jurisdictions. Aftermath has developed a pipeline of projects at various stages of advancement. The Company's projects have been selected based on growth and development potential.

- **Berenguela Silver-Copper project.** The Company has an option to acquire a 100% interest through a binding agreement with SSR Mining. The project is located in the Department of Puno, in southern central Peru. A NI 43-101 Technical Report on the property was filed in February 2021 (available on SEDAR and the Company's web page). The Company is currently drilling at Berenguela and planning to advance the project through a pre-feasibility study.
- **Challacollo Silver-Gold project.** The Company recently completed the acquisition of a 100% interest in the Challacollo silver-gold project from Mandalay Resources; see Company news release dated August 11, 2022. A NI 43-101 mineral resource was released on December 15, 2020 (available

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on SEDAR and the Company's web page). The Company is currently permitting road access in anticipation of an upcoming drill program.

- **Cachinal Silver-Gold project.** The Company owns a 100% interest in the Cachinal Ag-Au project, located 2.5 hours south of Antofagasta. On June 10, 2022 Aftermath announced it had reached an agreement to sell Cachinal to Honey Badger Silver Inc. On September 16, 2020 the Company released a CIM compliant Mineral Resource and accompanying NI 43-101 Technical Report (available on SEDAR and on the Company's web page).

ON BEHALF OF THE BOARD OF DIRECTORS

“Ralph Rushton”

Ralph Rushton President

President & CEO

604-484-7855

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates, projections and interpretations as at the date of this news release. The information in this news release and any other information herein that is not a historic fact may be "forward-looking information". Forward-looking information are often identified by terms such as "may", "should", "anticipate", "will", "estimates", "believes", "intends", "expects", and similar expressions which are intended to identify forward-looking information as such. More particularly and without limitation, this news release contains forward-looking information concerning the proposed disposition by the Company of the Cachinal Project, the proposed consideration and structure of such disposition (including the cash and share consideration), and the ability of the parties thereto to complete the proposed transaction on the terms and timelines agreed.

Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, no assurance can be given that such events will occur in the disclosed timeframes or at all. The Company cautions that all forward-looking information is inherently uncertain, and that actual performance may be affected by a number of material factors, assumptions and expectations, many of which are beyond the control of the Company, including: risks relating to failing to negotiate the definitive documentation concerning the proposed disposition of Cachinal on the terms expected or at all; risks relating to

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inability to secure necessary third-party consents or regulatory or other governmental approvals on a timely basis, or at all; general political risks and risks relating to changing laws, risks inherent with uncertain economic conditions, among other risks and uncertainties. Accordingly, the reader is cautioned not to place undue reliance on any forward-looking information contained in this news release. The forward-looking information contained in this news release are made as of the date hereof, and the Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.