

Aftermath Silver Ltd.
Suite 1500-409 Granville St.
Vancouver, BC V6C 1T2
TSX:AAG.V OTCQX:AAGFF



NEWS RELEASE

***FOR IMMEDIATE RELEASE**

June 10, 2022
(AAG2022 – NR #8)

Aftermath Silver Agrees Terms to Sell 100% Of The Cachinal Silver-Gold Project To Honey Badger Silver Inc.

Vancouver, BC, June 10, 2022. Aftermath Silver Ltd. (the “Company” or “Aftermath Silver”) (TSX-V: AAG) (OTCQX: AAGFF) is pleased to announce that it has entered into a non-binding term sheet (the “Term Sheet”) to sell its 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) to Honey Badger Silver Inc. (TSX-V: TUF) (“Honey Badger”). The proposed transaction includes an exclusivity period that ends on August 15, 2022. Aftermath Silver and Honey Badger are working diligently to finalize a definitive agreement on or before this date.

Ralph Rushton, President of Aftermath Silver commented: *“We’re pleased to announce the sale of the Cachinal silver-gold project to Honey Badger. Our priority is to advance the Berenguela silver-copper-manganese project in Peru, and the sale of Cachinal - which became non-core for us as our work at Berenguela progressed - represents the fastest way to potentially unlock value in the project for our shareholders. In addition to cash and share payments, we will receive production payments when commercial production starts and we will also retain an NSR.”*

Transaction Summary

The Term Sheet contemplates that Honey Badger, or an affiliate, will acquire all of the issued and outstanding shares of Minera Cachinal S.A., a wholly-owned subsidiary of Aftermath, according to the following terms:

- **Share Payment:** C\$1,000,000 in shares of Honey Badger payable at closing and priced at the greater of: (i) the volume weighted average share price of the Honey Badger common shares on the TSXV for a period of thirty (30) trading days immediately preceding the date of announcement of the transaction and (ii) the maximum discounted price allowed under the policies of the TSXV.
- **Cash Payments:** a) C\$400,000 payable at closing, b) C\$452,000 six months after closing, c) C\$400,000 on May 21, 2023 and d) C\$400,000 eighteen months after closing.
- **Royalty:** Honey Badger shall grant a 1% Net Smelter Return Royalty with a complete buyback option at Honey Badger’s sole discretion for a purchase price of C\$8,500,000;

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- **Production Payments:** Upon commencement of commercial production, Honey Badger shall pay in cash or shares at Aftermath's option, C\$0.50 per payable silver ounce produced at the Cachinal Project, capped at C\$2,000,000 in payments.

The detailed terms and conditions of the proposed transaction will be set out in definitive documentation to be negotiated between the parties, which will contain customary representations, warranties and covenants of the parties as well as customary indemnities and closing conditions. There can be no assurance that the proposed transaction will be completed on the terms contemplated, or at all. Readers are referred to the section below entitled: "*Cautionary Note Regarding Forward-Looking Information*".

While the Term Sheet is non-binding, the parties have agreed to a mutual break fee of C\$250,000 in the event a definitive agreement is not entered into prior to the expiry of the exclusivity period due to a party's action or inaction, subject to certain exceptions outside the control of the parties. The proposed transaction will be subject to regulatory approval, including the approval of the TSX Venture Exchange (the "TSXV").

Qualified Person

Michael Parker, a Fellow of the AusIMM and a non-independent director of Aftermath, is a non-independent qualified person, as defined by NI 43-101. Mr. Parker has reviewed the technical content of this news release and consents to the information provided in the form and context in which it appears.

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 has an option to acquire 100% interest in the Challacollo silver-gold project through a binding agreement with Mandalay Resources; see Company news release dated June 27th, 2019. A NI 43-101 mineral resource was released on December 15, 2020 (available on SEDAR and the Company's web page). The Company is currently permitting road access in anticipation of an upcoming drill program.

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- **Cachinal Silver-Gold project.** The Company recently agreed terms to sell its interest in the Cachinal Ag-Au project, located 2.5 hours south of Antofagasta to Honey Badger Silver Inc.

ON BEHALF OF THE BOARD OF DIRECTORS

"Ralph Rushton"

Ralph Rushton
CEO and Director
604-484-7855

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Information

Certain of the statements and information in this news release constitute "forward-looking information" within the meaning of applicable Canadian provincial securities laws. Any statements or information that express or involve discussions with respect to interpretation of exploration programs and drill results, predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategies", "targets", "goals", "forecasts", "objectives", "budgets", "schedules", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements or information.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, changes in commodities prices; changes in expected mineral production performance; unexpected increases in capital costs; exploitation and exploration results; continued availability of capital and financing; and general economic, market or business conditions. In addition, forward-looking statements are subject to various risks, including but not limited to operational risk; political risk; currency risk; capital cost inflation risk; that data is incomplete or inaccurate. The reader is referred to the Company's filings with the Canadian securities regulators for disclosure regarding these and other risk factors, accessible through Aftermath Silver's profile at www.sedar.com.

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There is no certainty that any forward-looking statement will come to pass and investors should not place undue reliance upon forward-looking statements. The Company does not undertake to provide updates to any of the forward-looking statements in this release, except as required by law.

Cautionary Note to US Investors - Mineral Resources

This News Release has been prepared in accordance with the requirements of NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards, which differ from the requirements of U.S. securities laws. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian public disclosure standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission, and information concerning mineralization, deposits, mineral reserve and resource information contained or referred to herein may not be comparable to similar information disclosed by U.S. companies.