

## **AbraSilver Announces Proposed Earn-In Option & Joint Venture Agreement on La Coipita Project**

**Toronto - January 2, 2024: AbraSilver Resource Corp. (TSX.V:ABRA; OTCQX: ABBRF) ("AbraSilver" or the "Company")** is pleased to announce it has entered into a binding letter agreement (the "Agreement") with a subsidiary of Teck Resources Limited ("Teck"), with respect to a proposed option and joint venture agreement (the "Option Agreement") to explore and develop the La Coipita copper-gold project ("La Coipita" or the "Project") in San Juan, Argentina (the "Transaction").

The Agreement provides that, subject to certain conditions, AbraSilver and Teck will enter into the Option Agreement to grant Teck an option to acquire an 80% interest in La Coipita by funding cumulative exploration expenditures of US\$20,000,000 over a five-year period, making staged cash payments to, and an equity placement in AbraSilver totaling US\$3,000,000 (including an initial mandatory payment of US\$500,000), and making up to US\$6,300,000 in optional cash payments in respect of amounts payable to the underlying Project vendors. Following an initial transition period during which AbraSilver will support field operations, Teck will act as operator for the duration of the Option.

John Miniotis, President and CEO, commented, "We are delighted about the opportunity to secure a significant exploration agreement with Teck to advance the large-scale La Coipita project, which is located in a prolific copper porphyry district. This strategic collaboration will mark a significant milestone for the Project, and greatly enhance the potential for a major copper discovery. This transaction will represent a strong endorsement of the exploration potential at La Coipita and we look forward to working closely with Teck to unlock value for all stakeholders."

### **Key Terms of the Transaction**

Pursuant to the Agreement, AbraSilver and Teck have agreed to enter into the Option Agreement wherein AbraSilver will grant Teck an option (the "Option") to acquire an 80% interest in the Project. The Option Agreement will provide that Teck may exercise the Option by:

- Making the following payments to or equity placement in AbraSilver:
  - I. Upfront cash payment of US\$500,000 upon entering into the Option Agreement;
  - II. On or before January 31, 2025, a cash payment of US\$1,000,000 or at Teck's election, subscription for US\$1,000,000 of common shares of AbraSilver ("ABRA Shares") to be priced at the greater of (a) a 25% premium to the preceding 20-day volume weighted average price on the ABRA Shares on the TSX Venture Exchange, or (b) C\$0.35 per ABRA Share; and
  - III. On or before January 31, 2028, a cash payment of US\$1,500,000.
- Incurring an aggregate of US\$20,000,000 in exploration expenditures on the Project over a five-year period; and
- Making up to US\$6,300,000 in optional cash payments in respect of amounts payable to the underlying Project vendors.

Upon exercise of the Option, the parties will incorporate a company in Argentina ("Newco") to become the titleholder of the Project. Teck will hold 80% of Newco's outstanding shares, with AbraSilver holding the remaining 20%. Each party will fund its pro-rata share of future expenditures on the Project through equity contributions to Newco or incur dilution in Newco. If a party's shareholding interest in Newco is diluted below 10% or pursuant to certain other conditions of the Option Agreement, its shareholding

interest will be converted to a 1.1% net smelter returns royalty on the Project, of which 0.6% can be bought back by the payor for a cash payment of US\$3,000,000 at any time.

The Transaction remains subject to, among other things, the negotiation and execution of a definitive Option Agreement and related documents and the satisfaction or waiver of any conditions precedent in the Agreement (including the receipt of any requisite approvals). The Company and Teck are expecting to enter into the Option Agreement on or about January 14, 2024 but there can be no certainty that the Transaction will be completed on the terms described in this press release or at all.

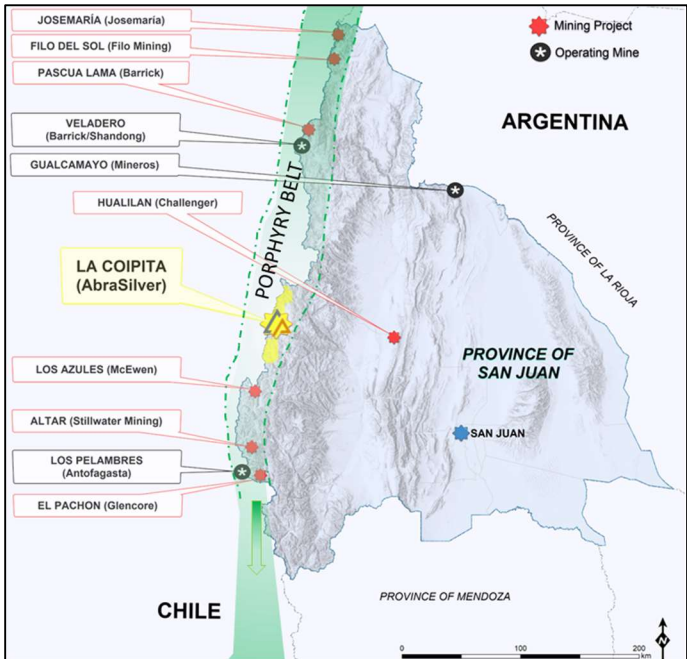
### The La Coipita Project

The La Coipita project is a district scale property consisting of over 70,000 hectares in the western portion of Calingasta Department, located in the mining-friendly San Juan Province of Argentina, adjacent to the Chilean border. Access to the area is via Calingasta, the nearest town, along 125 km of unpaved road to the Los Azules Cu-Mo porphyry project and then north along a dirt road to the La Coipita Cu-Au project. Elevation across the property ranges between 3,500 and 4,500 MASL with moderate to high relief.

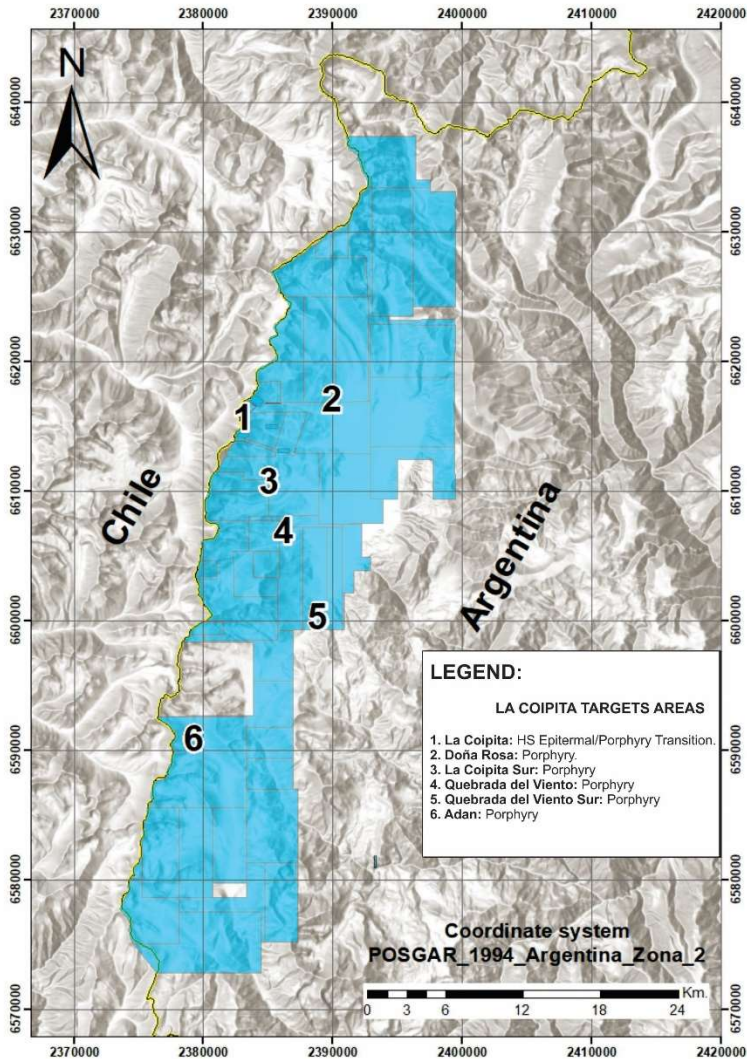
The Project lies within the Miocene porphyry-epithermal belt of Argentina and Chile. During the mid-Miocene, the area developed an active magmatic arc, on its western side and a back-arc extensional environment to the east. Contemporaneous with the deposition of volcanic/volcaniclastic rocks was the emplacement of porphyry Cu-Mo-Au and/or epithermal Au-Ag (Cu) systems (e.g. Filo del Sol high-sulphidation epithermal Cu-Au-Ag deposit with Cu-Au porphyry, Los Pelambres/El Pachón Cu-Mo porphyry, Los Azules Cu-Au-Mo porphyry, El Indio/Veladero/Pascua Lama high-sulphidation epithermal Au cluster).

Numerous target areas have been identified at La Coipita. These target areas have coincident geophysical, geological and geochemical features that are consistent with copper-gold mineralized porphyry-type intrusions, either beneath high-sulphidation systems or in structurally uplifted areas. To date, drilling has only been conducted on the La Coipita target, where the initial results have identified the potential for a major Cu-Au-Mo porphyry system. Significant exploration upside potential is believed to exist at the La Coipita target & across multiple other promising regional targets (as shown in Figure 2).

Figure 1 –La Coipita Location Map



**Figure 2 – La Coipita Regional Exploration Target Areas**



## Qualified Persons

David O'Connor P.Geol., Chief Geologist for AbraSilver, is the Qualified Person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects, and he has reviewed and approved the scientific and technical information in this news release.

## About AbraSilver

AbraSilver is an advanced-stage exploration company focused on rapidly advancing its 100%-owned Diablillos silver-gold project in the mining-friendly Salta province of Argentina. The current Measured and Indicated Mineral Resource estimate for Diablillos consists of 53.3 Mt grading 87 g/t Ag and 0.79 g/t Au, containing approximately 148Moz silver and 1.4Moz gold, with significant further exploration upside potential. In addition, the Company has entered into an earn-in option and joint venture agreement with Teck on the La Coipita project, whereby Teck can fund up to US\$20 million in exploration expenditures and make certain other payments to earn up to an 80% interest. AbraSilver is listed on the TSX-V under the symbol "ABRA" and in the U.S. under the symbol "ABBRF".

For further information please visit the AbraSilver Resource website at [www.abrasilver.com](http://www.abrasilver.com), our LinkedIn page at [AbraSilver Resource Corp.](http://AbraSilver Resource Corp.), and follow us on Twitter at [www.twitter.com/abrasilver](http://www.twitter.com/abrasilver)

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### **Cautionary Statements**

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. All statements that address future plans, activities, events or developments that the Company believes, expects or anticipates will or may occur are forward-looking information. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. When considering this forward-looking information, readers should keep in mind the risk factors and other cautionary statements in the Company's disclosure documents filed with the applicable Canadian securities regulatory authorities on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The risk factors and other factors noted in the disclosure documents could cause actual events or results to differ materially from those described in any forward-looking information. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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