



## **GSP RESOURCE CORP. SIGNS LETTER OF INTENT TO ACQUIRE THE ALWIN COPPER-GOLD-SILVER PROJECT**

**Vancouver, British Columbia – January 8, 2020:** GSP Resource Corp. (TSX-V: GSPR) (the “**Company**” or “**GSP**”) is pleased to announce it has entered into a letter of intent (“**LOI**”) with Richard John Billingsley and S. Gaye Richards (the “**Vendors**”), whereby GSP and the Vendors will negotiate and settle the terms of a definitive option agreement (the “**Option Agreement**”) that will provide GSP with an option to acquire a 100% interest in the Vendor’s right, title and interest in and to the mineral claims comprising the mineral exploration and development project known as the “**Alwin Project**”, located in the Kamloops Mining Division, 18 km west of Logan Lake, British Columbia (the “**Transaction**”). The Alwin Project includes the past-producing Alwin Copper Mine and is located immediately west of Teck Resources’ (TSX:TECK.B) Valley porphyry copper-molybdenum-silver ore body. The Alwin Project location is in the Guichon Batholith, within three kilometers of Teck Resources’ Highland Valley Copper open pit. Mineralization hosted on nearby properties is not necessarily indicative of mineralization that may be hosted on the Alwin Project.

Historical resource estimates as detailed in this news release exist on the Alwin property and is located in a mineralized structure that has been the subject of historic mine production. The 575.72-hectare project has several targets that were identified in previous drilling, soil sampling & IP surveys in the 2005-2008 period. Commercial production at the Alwin mine ceased during a period of low copper prices in 1982 and the most recent major exploration program ceased during the 2008/2009 global financial crisis.

Simon Dyakowski, President and CEO comments “We are pleased to complement our Olivine Mountain project with the Alwin Copper-Gold-Silver project. With the addition of Alwin, GSP will have established a strong footprint of catalyst-rich projects in Southwestern British Columbia. We believe that the Alwin Project represents significant upside for further discovery”.

### **Alwin Project History:**

Exploration and mining programs were conducted on the property during the period of 1967 - 2008 by several mining companies and syndicates. Previous operators have mined ~230,000 tonnes of ore grading approximately 1.5% copper<sup>1</sup>. Approximately 2700 meters of underground tunneling have been established on the project, including 649 diamond drill holes, totaling 34,500 meters have been completed. In addition, trenching, geophysics and geological mapping on the property is well-documented.

### **Historical Resource Estimates:**

A summary report prepared by John R. Kerr, P. Eng, dated November 15, 2006 on the Alwin Property, Kamloops Mining Division, British Columbia, is available on [www.sedar.com](http://www.sedar.com) under the profile of San Marco Resources (the “**Report**”).

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<sup>1</sup> Summary Report prepared by John R. Kerr, P. Eng, dated November 15, 2006 on the Alwin Property, Kamloops Mining Division, British Columbia, for Max Investments Inc. on behalf of San Marco Resources Inc. is available on [www.sedar.com](http://www.sedar.com) under the profile of San Marco Resources.

The Report disclosed a historical resource estimate was calculated in 1969/1970 by Bacon & Crowhurst Ltd. and Sandwell & Company Ltd. This historical resource estimate was not created using Standards of Disclosure for Mineral Projects as outlined in National Instrument 43-101. As noted below, the Company is not considering the estimate as current and further drilling is needed in order to upgrade the historical resource estimate. A summary of this historical resource estimate reported a total of 955,000 tonnes grading 2.51% copper and 11.7 g/t silver. The calculation was based on 1967 - 1969 drill programs (200 holes).

The Report also disclosed that mining in 1972 and 1981 accounted for 240,000 tonnes grading 1.5% copper and after the last period of mining in 1981, a historical resource estimate was reported by Dekalb Mining Corp. to have been completed in 1982. The 1982 summary of this calculation reported a total of 390,000 tonnes grading 2.50% Copper that exists in the ground today after historical mining events. The calculation was based on drill results of 1967 to 1981 drill programs. As noted below, the Company is not considering the estimate as current and further drilling is needed in order to upgrade the historical resource estimate.

The Company believes that the historical estimates are relevant to conduct exploration on the Alwin Project.

### **Terms of the Proposed Transaction**

Under the terms of the LOI, GSP may acquire a 100% interest in the Alwin Project by making certain staged cash payments and share payments of common shares in the capital of GSP to the Vendors.

- a. Cash payable:
  - i. CAD\$25,000 upon receipt of TSX Venture Exchange approval of the Option Agreement (the “**Approval Date**”);
  - ii. CAD\$25,000 on or before the 1<sup>st</sup> Anniversary of the Approval Date;
  - iii. CAD\$25,000 on or before the 2<sup>nd</sup> Anniversary of the Approval Date;
  - iv. CAD\$50,000 on or before the 3<sup>rd</sup> Anniversary of the Approval Date;
  - v. CAD\$50,000 on or before the 4<sup>th</sup> Anniversary of the Approval Date; and
  - vi. CAD\$75,000 on or before the 5<sup>th</sup> Anniversary of the Approval Date.
- b. GSP common shares:
  - i. 200,000 on the Approval Date;
  - ii. 200,000 on or before the 1<sup>st</sup> anniversary of the Approval Date;
  - iii. 300,000 on or before the 2<sup>nd</sup> Anniversary of the Approval Date;
  - iv. 400,000 on or before the 3<sup>rd</sup> Anniversary of the Approval Date;
  - v. 500,000 on or before the 4<sup>th</sup> Anniversary of the Approval Date;
  - vi. 900,000 on or before the 5<sup>th</sup> Anniversary of the Approval Date; and
  - vii. 2,000,000 on or before the earlier of a bankable feasibility study and the 8<sup>th</sup> anniversary of the Approval Date.
- c. Gross Smelter Returns Royalty (“**GSR Royalty**”):
  - i. 1.8% GSR Royalty to the Vendors with GSP option to repurchase 0.8% GSR Royalty on or before the 1<sup>st</sup> anniversary of commencement of commercial production for CAD\$1.5 million, leaving the Vendors with a 1% GSR Royalty.

Further details regarding the proposed Transaction with the Vendors will be provided in a comprehensive news release if, and when, the parties enter into the Option Agreement.

### **Qualified Person**

The scientific and technical information contained in this news release as it relates to the Alwin Project has been reviewed and approved by Christopher I Dyakowski, P.Geo, a director and “Qualified Person”

as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*. The Company is not treating this historical resource estimates as current mineral resources and the Qualified Person responsible for review of the historical resource estimates on behalf of the Company has not performed significant work to classify the historical resource estimates as a current mineral resource. The Company has not undertaken any verification of the historical data upon which the historical estimates are based on.

**About GSP Resource Corp.:** GSP Resource Corp. is a mineral exploration company focused on the acquisition, exploration and development of mineral resource properties. The Company has an option to acquire a 100% interest and title to the Olivine Mountain Property.

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

Investors are cautioned that the historical estimates do not mean or imply that economic deposits exist on the properties. The Company has not undertaken any independent investigation of the historical estimates nor has it independently analyzed the results of the previous exploration work in order to verify the accuracy of the information.

### **Forward Looking Information**

This news release includes certain statements that constitute “forward-looking information” within the meaning of applicable securities law, including without limitation, execution of the Option Agreement, completing the proposed Transaction with the Vendors, exploration work on the Alwin Project, other statements relating to the technical, financial and business prospects of the Company, its projects and other matters.

Forward-looking statements address future events and conditions and are necessarily based upon a number of estimates and assumptions. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved), and variations of such words, and similar expressions are not statements of historical fact and may be forward-looking statements. Forward-looking statements are necessarily based upon a number of factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the price of metals, anticipated costs and the ability to achieve goals, that general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed and on reasonable terms, and that third party contractors, equipment and supplies and governmental and other approvals required to conduct the Company’s planned exploration activities will be available on reasonable terms and in a timely manner. While such estimates and assumptions are considered reasonable by the management of the Company, they are inherently subject to significant business, economic, competitive and regulatory uncertainties and risks.

Forward-looking statements are subject to a variety of risks and uncertainties, which could cause actual events, level of activity, performance or results to differ materially from those reflected in the forward-looking statements, including, without limitation: (i) risks related to gold, copper and other commodity price fluctuations; (ii) risks and uncertainties relating to the interpretation of exploration results; (iii) risks related to the inherent uncertainty of exploration and cost estimates and the potential for unexpected costs and expenses; (iv) that resource exploration and development is a speculative business; (v) that the Company may lose or abandon its property interests or may fail to receive necessary licences and permits; (vi) that environmental laws and regulations may become more onerous; (vii) that the Company

may not be able to raise additional funds when necessary; (viii) the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; (ix) exploration and development risks, including risks related to accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in exploration and development; (x) competition; (xi) the potential for delays in exploration or development activities or the completion of geologic reports or studies; (xii) the uncertainty of profitability based upon the Company's history of losses; (xiii) risks related to environmental regulation and liability; (xiv) risks associated with failure to maintain community acceptance, agreements and permissions (generally referred to as "social licence"); (xv) risks relating to obtaining and maintaining all necessary government permits, approvals and authorizations relating to the continued exploration and development of the Company's projects; (xvi) risks related to the outcome of legal actions; (xvii) political and regulatory risks associated with mining and exploration; (xix) risks related to current global financial conditions; and (xx) other risks and uncertainties related to the Company's prospects, properties and business strategy. These risks, as well as others, could cause actual results and events to vary significantly.

Factors that could cause actual results to differ materially from those in forward looking statements include, but are not limited to, continued availability of capital and financing and general economic, market or business conditions, the loss of key directors, employees, advisors or consultants, adverse weather conditions, increase in costs, equipment failures, litigation, exchange rate fluctuations, failure of counterparties to perform their contractual obligations and fees charged by service providers. Investors are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements. The forward-looking statements included 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 statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation.