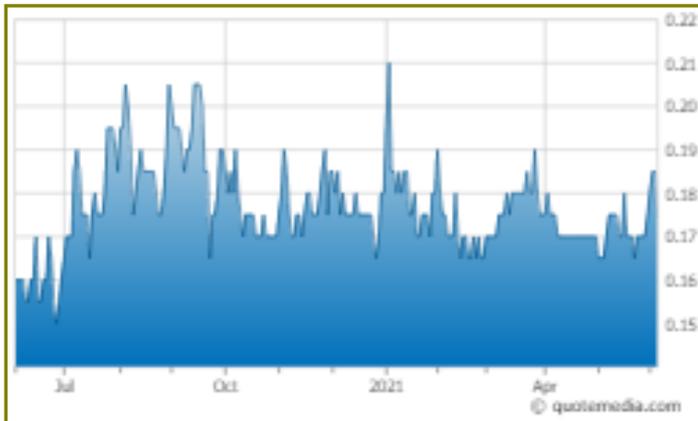


Goldletter INTERNATIONAL

the international independent information and advice bulletin for gold and related investments

INVESTMENT ALERT – June 6, 2021

goldenarrowresources.com



Golden Arrow Resources (C\$ 0.18)

TSX.V : GRG
OTC : GARWF
Frankfurt SE : G6A

H+L prices (12 months) : C\$ 0.22 – 0.15

Net shares issued : 116.3 million shares
Fully diluted : 148.2 million shares

Market Capitalization : C\$ 20.9 million
(US\$ 17.3 million)

2021 price target: C\$ 0.50

INVESTMENT ALERT

► **Golden Arrow Resources** intends to acquire 75% of **Libanesa Silver-Gold Project** in the province of **Santa Cruz, Argentina**

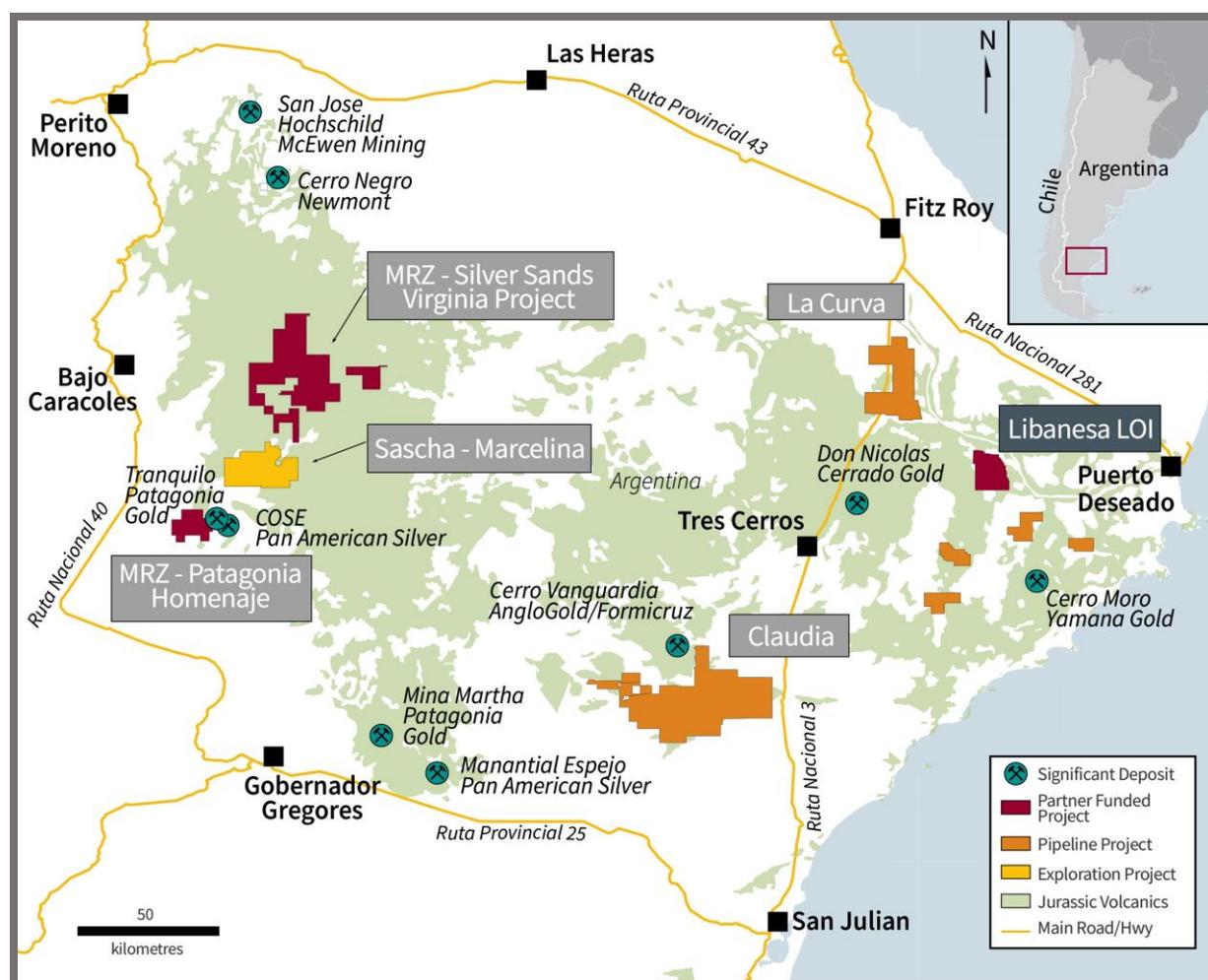
Golden Arrow Resources (“**Golden Arrow**”) has announced it has entered into a binding letter of intent (“LOI”) with **Mirasol Resources** (“**Mirasol**”) for an option to acquire a 75% undivided interest in Mirasol’s **Libanesa Silver-Gold Project** in the province of **Santa Cruz, Argentina**.

Under the terms of the LOI, **Golden Arrow** may exercise the option by incurring certain exploration expenditures and making stage cash payments over 6 years.

Libanesa is a drill-ready project hosting several diversified geological, geochemical and geophysical supported drill targets. Based on the work to date, **Cerro Plomo** is the principal target and is characterized by a mineralized Au/Ag hydrothermal breccia that is exposed at surface, and both chargeability and resistivity geophysical anomalies at depth. Trench results include:

- 6m at 0.8 g/t Au, 243.8 g/t Ag and 0.4% Pb
- 10.5m at 0.98 g/t Au, 53.4 g/t Ag and 0.9% Pb
- 11m at 1.21 g/t Au, 13.5 g/t Ag and 1.4% Pb

Additional targets within **Libanesa** include the peripheral polymetallic veins at the **Libanesa Main prospect**; and, the **Lagunita prospect**, which has reported rock chip values up to 7.2 g/t gold. **Libanesa** is a 14,500 ha Ag-Au (Pb) project, discovered and staked by **Mirasol**. It is located at the north eastern margin of the Deseado Massif Au-Ag metallogenic province, approximately 70 km west from the port of Puerto Deseado, 40 km northwest of the Cerro Moro Mine operated by Yamana Gold and 100 km north-east of the Don Nicolas mine operated by **Cerrado Gold** (See Figure).



► Summary of Transaction terms

The transaction contemplated in the LOI is subject to legal and technical due diligence and the finalization of a definitive agreement. **Mirasol** has granted **Golden Arrow** a 90-day exclusivity period.

Under the terms of the LOI, **Mirasol** will grant **Golden Arrow** an option to earn a 75% interest in **Libanesa** over six years by:

- incurring exploration expenditures totaling US\$ 4,000,000
 - US\$ 500,000 per year during the first 2 years; and
 - US\$ 750,000 per year thereafter.
- making cash payments to Mirasol totaling US\$1,000,000
 - US\$ 100,000 to be paid on the 2nd, 3rd and 4th anniversaries;
 - US\$ 250,000 on the 5th anniversary; and
 - US\$ 450,000 on the 6th anniversary.

The initial US\$ 500,000 in exploration expenditures is a firm commitment, but it may be incurred over 24 months instead of 12 months, if the required exploration permits are not in place by October 2021. In addition, **Golden Arrow** is required to complete a minimum of 2,000m of drilling by the end of the second year. Golden Arrow will be the operator during the Option Period.

Upon completion of the option, **Mirasol** and **Golden Arrow** will hold 25% and 75%, respectively, in a participating Joint Venture company holding **Libanessa**. If either party's equity interest is diluted below 10%, it will convert to a 2% net smelter return royalty.

Company profile

Golden Arrow Resources ("Golden Arrow") is a material resource company actively exploring its strategically located portfolio that includes the new epithermal **Flecha de Oro Project** in **Argentina**; the district scale **Tierra Dorado Gold Project** in **Paraguay** and the **Rosales Copper Project** in the heart of a leading copper district in **Chile** and is continuing to evaluate advanced opportunities.

Also, the Company has staked an additional 10,700 hectares to cover **El Cabo** (Arsenales) target.

Golden Arrow is member of the Grosso Group, a resource management group that has pioneered exploration in Argentina since 1993.

In September 2019, **Golden Arrow** completed the sale of its 25% remaining interest (SSR Mining 75% interest) in **Puña operations** to SSR Mining for aggregate consideration of **C\$ 44.4 million**.

Finance

<i>in C\$ million</i>	March 31 2021	December 31 2020
Assets		
Current assets, of which:	17.95	24.37
<i>Cash and cash equivalents</i>	<i>5.50</i>	<i>6.61</i>
<i>Investments</i>	<i>12.14</i>	<i>17.27</i>
Non-current assets	0.79	0.63
TOTAL ASSETS	18.74	25.00
Liabilities		
Current liabilities	0.36	0.45
Shareholders' equity:	18.38	24.55



► **Argentina's new government expected to get financial support from IMF to regain the fund's preferred creditor status**

Argentina has published a road map for debt-restructuring negotiations to restart growth after two years of recession. This includes continuing financial support from the **IMF** through a \$ 45 billion agreement with **Argentina**.

Considering **Argentina's** crucial geological status in **South America**, as well as increasing economic influence from **China**, in particular counting for the continent's rich mineral resources, the country's road map for debt-restructuring offers a foothold to restore economic growth.

The **IMF** sees upside potential in delaying an Argentina deal after October, at which time the country could take more ownership and make bigger policy commitments once the pressure of a key legislative vote is off.

Investment comments:

Since completion of the **Puña Operation** transaction in September 2019 for total consideration of \$ 44.4 million, **Golden Arrow** has extended its exploration portfolio to a new epithermal gold project, followed by the Letter of Intent to option the **Libanesa Silver-Gold** Project, both projects located in Argentina, a district scale frontier gold opportunity in **Paraguay**, a base-metal project in the heart of a leading mining district in **Chile** and more than 180,000 hectares of properties in **Argentina**.

Highlights of the combined programs include showings 1,2 and 4 of **143,5 g/t gold over 0.8 m within 6 m averaging 14.53 g/t gold at 3-9 m depth**. A second, more detailed drilling program at a minimum of 2,000 metres of drilling is expected to be completed in Q2 2021.

Based on current assets of C\$ 17.9 million as at March 31, 2021, of which C\$ 5.5 million in cash and cash equivalents and C\$ 12.1 million investments, compared to the Company's depressed market valuation of C\$ 17.3 million, and expecting promising results from the drilling program this year from the **Tierra Dorada Project** in **Paraguay**, **Golden Arrow**, in my view, is substantially undervalued.

My 2021 price target remains C\$ 0.50.