

# Goldletter INTERNATIONAL

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

**INVESTMENT ALERT – October 7, 2021**

[www.goldenarrowresources.com](http://www.goldenarrowresources.com)



## **Golden Arrow Resources (C\$ 0.165)**

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

H+L prices (12 months) : C\$ 0.21 – 0.145

Net shares issued : 116.4 million shares  
Fully diluted : 148.2 million shares

Market Capitalization : C\$ 19.2 million  
(US\$ 15.2 million)

**2021/2022 price target: C\$ 0.50**

## **INVESTMENT ALERT**

### **▶ Golden Arrow Resources starts drilling programs on Tierra Dorada Gold Project in Paraguay and Rosales Copper Project in Chile**

On September 28, 2021, **Golden Arrow Resources** (“**Golden Arrow**”) reported that it has started a diamond drilling program of up to approximately 2,000 metres at the **Tierra Dorada Gold Project** in **Paraguay** and has commenced RC drilling at its 100% owned **Rosales Copper Project** in the prolific **Atacama region** of **Chile**, which is known for its numerous precious and base metals mines.

A two-staged approach is being deployed to first test the upper and lower conductors and confirm the geophysical interpretation from the Company’s recently completed Transcent Electro Magnetic (TEM) geophysical survey. The first phase will comprise approximately 1,400 metres across 4 holes. The second phase, slated for 1,600 metres, will immediately follow and is being designed to test the extent of the known anomalies, as well as other targets across the large 8,500-plus-acre project.

Additionally, **Golden Arrow** has an amassed portfolio of over 440,000 acres of exploration properties in four provinces in **Argentina**, a country known for its copper, gold and lithium riches. In **Paraguay**, the Company holds a 100% interest in the **Tierra Dorada Project**, a district-scale, high-grade gold project covering an area of over 150,000 acres.

**Golden Arrow** is led by CEO Joseph Grosso who is also the founder and president of the **Grosso Group** – one of the pioneers of mining exploration in **Argentina**, with also **Blue Sky Uranium** and **Argentina Lithium & Energy** part of the group.

As part of the Company’s long-established track record of success, **Golden Arrow** advanced the **Chinchillas Silver Project** in just five years and then successfully monetized the asset through a sale to **SSR Mining** for approximately US\$ 42 million, receiving US\$ 3 million in cash and about 1.25 million shares of SSR Mining. The Company was also able to cancel approximately US\$ 15 million in debt and return to the corporate 4.3 million common shares previously owned by SSR.

**Golden Arrow** now benefits from a significant equity interest of 1.25 million shares in **SSR Mining**, representing a current market valuation of US\$ 24 million, providing upside potential and leverage to gold and silver.

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ARGENTINA: A History of Success
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- Grosso Group has had a history of success for 27 years; office in Mendoza provides exploration, logistics and environmental & community management within Argentina, and supports these functions in Chile & Paraguay
- 100% owned properties, +185,000 hectares proximal to operating mines or known mineralized trends in Argentina
- Gold, copper & silver; porphyry and epithermal mineralization styles
- Current focus on new Flecha de Oro epithermal gold project in Rio Negro province









► **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.



## CHILE – Advanced Opportunities

- Supportive Mining Jurisdiction with Advanced Project Opportunities
- Rosales Copper Project 100% Held
  - Adjacent to small copper-producing mine [Golden Arrow cautions that proximity to a mining operation does not indicate that mineralization will occur in sufficient quantity or grade on Golden Arrow's property that would result in an economic extraction scenario.]
- Additional projects under review in close proximity to maximize synergy potential



## PARAGUAY – A New Frontier

- One of the last under-explored jurisdictions in South America
- Geologic potential for significant mineral resources but limited modern exploration
- Excellent Infrastructure: flat topography, road access; power lines
- GRG partnered with local expertise to acquire a district-scale landing holding with potential for orogenic (high-grade vein-hosted) deposits
- Strong local team including in-country manager



**Investment comments:**

Since completion of the **Puña Operation** transaction in September 2019 for total consideration of approximately C\$ 44.2 million, **Golden Arrow** has extended its exploration portfolio to a new epithermal gold project, followed by a Letter of Intent to option the **Libanesa Silver-Gold** Project, 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**.

Based on total assets of C\$ 18.7 million as at June 30, 2021, of which C\$ 4.4 million in cash and cash equivalents and C\$ 13.1 million investments, compared to the Company's depressed market valuation of C\$ 19.2 million (US\$ 15.2 million), and expecting promising results from several drilling programs this year, including the **Yanso Gold Project** in **Argentina** and the **Tierra Dorada Project** in **Paraguay**, **Golden Arrow**, in my view, is significantly low valued.

**My price target remains C\$ 0.50 for the extended period of 2021/2022.**