

Golden Arrow Resources Corporation (TSXV: GRG / OTCQB: GARWF / FSE: G6A)

Delineating a Copper-Gold Resource Near a Large Miner – FINAL REPORT

N/A

Current Price: C\$0.14

Fair Value: N/A

Risk: 5

Sector / Industry: Junior Resource

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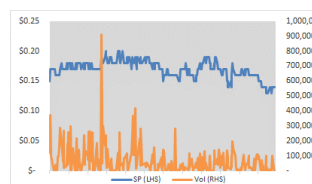
Highlights

- GRG has **nine pre-resource stage exploration properties** in established mining districts in **Chile and Argentina**.
- Earlier this year, the company acquired the San Pietro project (Chile) from Sumitomo Metal Mining (TSE: 5713) for US\$3.5M. This advanced-stage project hosts multiple Iron Oxide-Copper-Gold (IOCG) targets, with potential for cobalt. We note that **IOCG projects tend to have high grades**, and relatively low OPEX.
- The project is **strategically located between Capstone Copper's** (TSX: CS) Mantoverde mine and the advanced stage Santo Domingo project.
- **San Pietro will be GRG's primary near-term focus**. The project has had extensive historic drilling (34,000+ m). As the company has not disclosed detailed assay results, we are **not in a position to calculate a speculative resource estimate**. Sample results included multiple high-grade intercepts.
- An exploration program, consisting of re-logging of historic drill cores, detailed surface sampling and mapping, and geophysical surveys, is underway. **One of the four identified targets has near-term resource potential**.
- The company is awaiting results from a 1,700 m drill program completed at the Libanesa silver-gold project in Argentina. An exploration program is underway at the Flecha de Oro project (also in Argentina).
- We have a **positive outlook on gold prices** due to negative real rates, rising production costs, and as inflation is likely to be persistent through the year, despite rising rates. However, we expect copper prices to be under pressure amid weaker global economic growth. We believe the positive impact of stronger gold prices should more than offset the negative sentiment towards copper this year.
- **Upcoming catalysts** include drill results from Libanesa, and exploration at Santo Pietro.

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Price Performance (1-year)



	YTD	12M
GRG	-26%	-7%
TSXV	-33%	-31%

Company Data

52 Week Range	C\$0.13 – C\$0.21
Shares O/S	116M
Market Cap.	C\$16M
Yield (forward)	N/A
P/E (forward)	N/A
P/B	0.9x

Key Financial Data (FYE - Dec 31)

(C\$)	2022 (3M)
Cash	\$3,538,920
Working Capital	\$12,200,696
Investment in POI + Mineral Assets (net)	\$4,804,743
Total Assets	\$17,795,583
Net Loss - adj.	-\$1,753,134
EPS	-\$0.02

***See last page for important disclosures, rating and risk definitions. All figures in C\$ unless otherwise specified.**

San Pietro IOCG Project in Chile

The project, covering 18,448 ha, is situated in a prolific mining district within the Atacama region of Chile.

Portfolio Map



Property Location



Source: Company

San Pietro is an advanced-stage copper-gold-cobalt exploration property with significant exploration data, including 34,276 m of historic drill cores for several targets (Rincones, Radiss Norte, Rodeo, and Colla). **As the company has not disclosed detailed assay results, we are not in a position to calculate a speculative resource estimate.**

GRG has nine precious metal projects in Argentina and Chile

The San Pietro IOCG project is situated between two IOCG projects (Santo Domingo and Mantoverde) held by Capstone Copper; Mantoverde is an operating open-pit mine, and Santo Domingo is an advanced stage development project

We believe proximity to well-known projects is a major advantage as it can open doors for future M&A events if GRG is able to delineate an attractive resource estimate

Rincones has near-term resource potential

High-grade copper intercepts

Geophysical surveys at Radiss Norte suggest deep targets

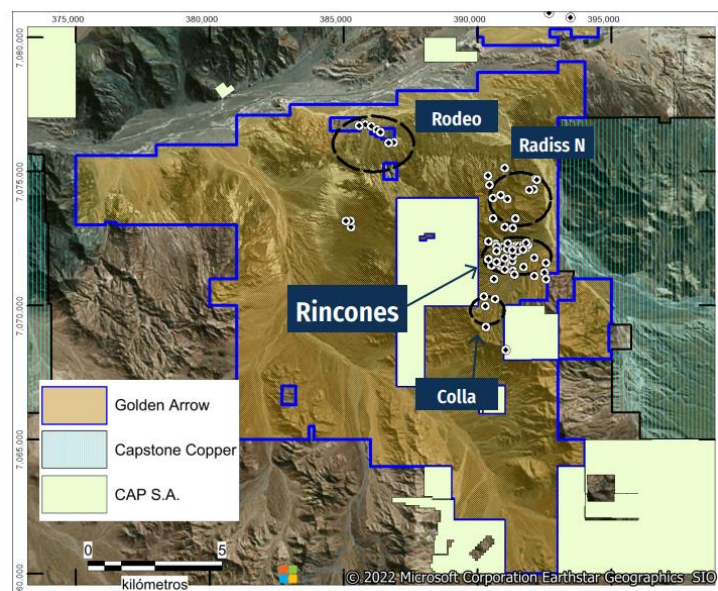
Rodeo has returned high-grade copper intercepts, such as 34m @ 1.03% Cu and 334 ppm Co

Expecting a maiden resource estimate at Rincones by 2024

The **Rincones target** was the primary focus of historic exploration. 47 holes have been drilled on the property. Key results included:

- 1.14% Cu, 0.12g/t Au, and 335ppm Co over 28 m
- 1.20% Cu, 0.21g/t Au, and 579ppm Co over 34 m
- 1.25% Cu, 0.32g/t Au, and 70ppm Co over 36 m
- 0.76% Cu, 0.13g/t Au, and 146ppm Co over 20 m

Main Target Areas



Source: Company

In June 2022, the company commenced its first exploration program, which includes detailed surface sampling and mapping, re-logging of historic drill cores, and geophysical surveys. Management is **working towards a maiden resource estimate at Rincones**, while continuing to evaluate and advance the other known targets.

Other Projects

Summary

Project Name	Location	Commodity	Project Status
Rosales	Chile	Copper	No immediate plans
Flecha de Oro	Argentina	Gold	Exploration work underway
Libanesa	Argentina	Silver, Gold	Drilling completed; assay results pending
Mogote	Argentina	Copper, Gold	Optioned to Syndicate Minerals Pty
Caballos	Argentina	Copper, Gold	Optioned to Hanaq S.A
Don Bosco	Argentina	Copper, Gold	Available for JV/Option
Potrerillos	Argentina	Gold, Silver	Available for JV/Option
Yanso	Argentina	Gold	Available for JV/Option

Source: Company

Financials

(in C\$)	2022 (3M)
Cash	\$3,538,920
Working Capital	\$12,200,696
Current Ratio	30.0
Debt	-
Monthly Burn Rate (G&A)	-\$187,220
Exploration and Property Related	-\$5,408,535
Cash from Financing Activities	\$8,316,016

Source: FRC / Company

Stock Options and Warrants: 6.56M options (weighted average exercise price of \$0.38 per share), and 21.82M warrants (weighted average exercise price of \$0.37 per share) are outstanding. Nil options and warrants are in the money.

Valuation and Rating

As the company's projects are in early stages, we are **continuing to not assign a rating or valuation**. Upcoming catalysts include exploration at San Pietro, and drill results from Libanesa. As San Pietro will be GRG's primary near-term focus, we believe **results of the ongoing exploration program are crucial**. Due to its strong balance sheet, we do not believe the company will need to raise capital before 2024.

Risks

We believe the company is exposed to the following key risks (not exhaustive):

- The project is highly dependent on commodity prices.
- **None of the projects have a NI 43-101 complaint resource estimate.**
- **Access to capital and share dilution**
- Exploration and development risks

Maintaining our risk
rating of 5 (Highly
Speculative)

Fundamental Research Corp. Equity Rating Scale:

Buy – Annual expected rate of return exceeds 12% or the expected return is commensurate with risk

Hold – Annual expected rate of return is between 5% and 12%

Sell – Annual expected rate of return is below 5% or the expected return is not commensurate with risk

Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:

1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues and may rely on external funding. These stocks are considered highly speculative.

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