

Golden Dawn Provides Updates on Debt Reorganization Progress

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VANCOUVER, August 16, 2019 - Golden Dawn Minerals Inc., (TSXV:GOM | OTC:GDMRF | FRANKFURT:3G8B), (“Golden Dawn” or the “Company”) is pleased to report that it has made material progress toward the completion of its debt reorganization and restructuring plans last updated in the Company’s news release dated July 12, 2019. The debt reorganization and restructuring centres on the previously announced April 8, 2019 agreement (the “Debt Reorganization Agreement”) between the Company and 1136130 B.C. Ltd. (“1136130”), pursuant to which the Company can convert a significant amount of its existing liabilities into equity and favourably amend the terms of its remaining senior secured liabilities owing to RIVI Opportunity Fund LP (“RIVI”) (the “Debt Reorganization Transactions”).

In March 2019, 1136130, a private company controlled by Christopher Anderson, settled with RIVI a debt option agreement giving 1136130 an option exercisable to acquire certain debts owing by the Company to RIVI, and to trigger amendments to the terms of the remaining RIVI debts (the “Debt Option Agreement”). Pursuant to the Debt Reorganization Agreement, settled prior to Anderson’s appointment as an officer and director of the Company, 1136130 assigned to the Company the right to acquire and exercise the option under the Debt Option Agreement. The Debt Reorganization Agreement and the Company’s proposed exercise the option under the Debt Option Agreement remain subject to the acceptance of the TSX Venture Exchange (“Exchange”).

Through the considerable efforts of the Company’s management team, the Company has addressed numerous historical Exchange filing deficiencies inherited from previous management, and now has made the submissions required by the Exchange for the Exchange’s review and anticipated acceptance to permit the closing of the Debt Reorganization Transactions. To accommodate the longer than expected time to complete the required Exchange submissions, RIVI and 1136130 have reached an agreement with the Company to extend the deadline for the Company to acquire and exercise of the rights under the Debt Option Agreement to September 30, 2019.

The Company can complete the acquisition of the Debt Option Agreement, and exercise the underlying option, by making a lump sum cash payment to RIVI in the amount of US\$1,524,500. Upon doing so:

- all of the RIVI loan principal and accumulated arrears (in the approximate amount of US\$6,464,000) will have been acquired by 1136130, save and except for RIVI debt in the principal amount of US\$4.0 million, which will then be accruing interest at the materially reduced annual rate of 10% payable semi-annually;
- the Company’s gold supply and sale obligations to RIVI under the Gold Purchase Agreement will be eliminated;
- if the Company repays the remaining US\$4.0 million principal to RIVI by January 15, 2020, then it will have no further debt obligations to RIVI;
- if the Company does not repay remaining RIVI US\$4.0 Million debt by January 15, 2020, then the Company will grant to RIVI a 1.0% NSR royalty on the production from the Company’s Lexington and Golden Crown properties; and if the remaining RIVI debt is not repaid by July 15, 2020, and January 15, 2021, respectively, the Company will be required to grant additional 0.5% NSR royalties to RIVI (all such NSR royalties taken together being “Penalty NSR Royalty”);

- the Company will settle the RIVI debt that 1136130 will have acquired, in the approximate amount of US\$580,000 (approx. Cdn.\$775,000), in consideration of the issuance of 3,105,487 Golden Dawn common shares (“Settlement Shares”);
- 1136130 will have an option right, exercisable at any time up to 36 months following the closing of the Debt Reorganization Transactions, to purchase NSR royalty rights on the Company’s properties in 0.5% increments, at a price of Cdn.\$25,000 per increment, up to a maximum NSR royalty rate of 2.5% (subject to reduction in proportion to any NSR royalties granted to RIVI); and
- in addition to and independent of the Debt Option Agreement to be assigned to the Company, 1136130 will have an assignable right, exercisable at any time, to purchase 1.0% of the Penalty NSR Royalty for a one-time lump sum payment of US\$1,000,000.

The issuance of the Settlement Shares remains subject to Exchange acceptance and, if issued, will be subject to the customary 4-month hold period.

At all times during the negotiation and settlement of the Debt Option Agreement and the Debt Reorganization Agreement, Mr. Anderson and 1136130 were at arm’s length to the Company and to RIVI. Neither Mr. Anderson nor 1136130 owned any shares or other securities of the Company, and Mr. Anderson was not a director or officer of the Company. Following the settled of the Debt Reorganization Agreement, as announced by the Company’s news release on April 15, 2019, Mr. Anderson accepted an appointment as interim CEO and a director of the Company. Since that time, Mr. Anderson and the other members of the Company’s current management team have worked diligently to bring the Company’s statutory filings up to date and raise urgently needed working capital.

In addition to completing the Exchange submissions for the Debt Restructuring Transactions, Golden Dawn is continuing its discussions with potential subscribers to complete the a non-brokered private placement of a combination of equity and secured convertible debt securities to raise up to \$3.0-million as first announced on July 18, 2019. The net proceeds of that offering will be applied to finance further exploration of existing Company properties, pay down existing Company debts, mill site maintenance and improvements, and for general working capital purposes.

On behalf of the Board of [Golden Dawn Minerals Inc.](#)
Per: “Christopher R. Anderson”
Christopher R. Anderson
Chief Executive Officer

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Forward-Looking Statement Cautions:

This press release contains certain "forward-looking statements" within the meaning of Canadian securities legislation, relating to, among other things, the closing of the Debt Restructuring Transactions and the required Exchange acceptance of such transactions, the completion of a \$3.0 million private placement a combination of equity and secured convertible debt securities, and the intended uses of the proceeds, if any, of that financing. Although the Company believes that such statements are reasonable based on current circumstances, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are statements that are not historical facts; they are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "aims," "potential," "goal," "objective," "prospective," and similar expressions, or that events or conditions "will," "would," "may," "can," "could" or "should" occur, or are those statements, which, by their nature, refer to future events. The Company cautions that forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of risks and uncertainties, including the possibility the Exchange will not accept the Debt Reorganization Transactions, the Company will not be able to secure sufficient financing to complete the Debt Reorganization Transactions, the lack of sufficient future financing to carry out future exploration plans, and unanticipated changes in the legal, regulatory and permitting requirements for the Company’s business, including

its exploration programs. 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. 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 or the policies of the TSX Venture Exchange. Readers are encouraged to review the Company's complete public disclosure record on SEDAR at www.sedar.com.

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