GOLDEN DAWN MINERALS INC.

TSX-V: GOM
FRANKFURT EXCHANGE: 3G8A
OTC: GDMRF

NEWS RELEASE

Golden Dawn To Commence Underground Mine Work At Greenwood Precious Metals Project

Vancouver, August 21, 2017 –Wolf Wiese, President & CEO of Golden Dawn Minerals Inc., (TSX-V: GOM; FRANKFURT: 3G8A; OTC: GDMRF) (the "Company" or "Golden Dawn") provides the following update on activities at the Greenwood Precious Metals Project.

Lexington Mine

The BC Ministry of Environment has given the Company the go ahead to dewater the Lexington mine upon giving 72 hours' notice, following the conditions outlined in the discharge permit and the Water Management Plan that was recently submitted. The Company is now working with its contractors to schedule the mine work and necessary environmental monitoring.

The dewatering program is estimated to take approximately four weeks and will be followed by an evaluation/mining program. Both of these programs will be carried out by a mining contractor. The dewatering program is expected to commence shortly, upon awarding the contract to a suitable Mining Contractor. Contractor bids have been received and are being reviewed by the company's consultants. Dewatering will consist of initial pumping at up to 1,000 cubic metres per day for 30 days, followed by continual pumping at 35 cubic meters per day.

Concurrent with dewatering, rehabilitation of the two ramps and surface mine infrastructure will take place. The ground support, mine electrical and ventilation services will be re-established to enable mining operations. The dewatering program will provide access to mine workings that were previously developed by Merit Mining in 2008. After dewatering, rehabilitation of mine workings will continue as will definition drilling, mapping and sampling of the workings toward assembling a test mine program.

View Lexington Mine Video: http://www.goldendawnminerals.com/mine-videos/lexington-mine/

Mining operations are planned to commence once the mine is dewatered to a sufficient level and services are installed. Test mining will target the mineralized zones between the 1,210m and 1,175m elevations, and the mining methods of longhole open stoping, jumbo mining and jackleg/slusher mining will be evaluated. Very little waste or zone development will be required to access the areas of the proposed test mining. During the test mining period, Golden Dawn will continue to evaluate the resources between these elevations, which could provide mill feed after the rehabilitation and dewatering of the Lexington Mine.

The Company plans to extract this material and process it in the Greenwood Process Plant. As the test mining takes place, preparation of the mill will be carried out at the company's facility located approximately 17 kilometres northeast of the Lexington mine. The Greenwood facility is a 200 (expandable to 400) tonne per day flotation plant with a gold gravity circuit and associated assay laboratory, which successfully treated Lexington mineralized material in the past. The mill and crushing equipment will require some minor upgrades and equipment refurbishing in order to ready them for the Lexington -run of mine feed material anticipated approximately in mid-November.

View Greenwood Process Plant Video at: http://www.goldendawnminerals.com/mine-videos/greenwood-mill-3/

The Company is currently evaluating automated pre-concentration (sorting) of feed material. If technically and economically feasible, pre-concentration could possibly upgrade the tenor of mill feed to be processed in the plant.

The estimated costs of rehabilitating the Lexington mine, accumulating 5000 tonnes of mill feed and refurbishing the mill is approximately CAD $ 3,000,000 to $3,500,000.

Project Profile

Golden Dawn's Greenwood Gold Project Process Plant and Mine Complex are located in the historic Greenwood Mining Division in south-central British Columbia, Canada, approximately 500 km east of Vancouver. The Company's primary focus is re-activating the process plant and re-opening the Lexington-Grenoble mine. Mining development will proceed with gold-copper feed material being processed in the Greenwood Process Plant situated on the Golden Crown property. The Company is also working on permitting to bring the Golden Crown mine on stream, and also the May Mac mine. All 3 mines are within a 2 km to 15 km radius of the Greenwood Projects Process Plant situated on the Golden Crown Property. Please see maps on the company website www.goldendawnminerals.com .

The Company would like to note that its decision to proceed to extract mineralized material from the Lexington mine for processing at its facility located at the Greenwood Precious Metals Project was not based on a Feasibility Study. The Company cautions that, in such cases, there is increased uncertainty and higher economic and technical risks of failure. The Company intends to proceed to trial mining and processing on the basis of Mineral Resource Estimates and the Preliminary Economic Assessment.

On behalf of the Board of Directors:

GOLDEN DAWN MINERALS INC.

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