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ArcWest Signs Letter of Intent with Sanatana Resources to Negotiate an Earn-in and Joint Venture Agreement on its Oweegee Dome Porphyry Cu-Au Project, Located in BC's Golden Triangle

*April 19th, 2021
Vancouver, BC*

ArcWest Exploration Inc. (TSX-V: AWX) ("ArcWest") is pleased to announce that it has entered into a non-binding letter agreement with Sanatana Resources Inc. (TSX-V: STA) ("Sanatana") to negotiate an earn in and joint venture agreement on its Oweegee Dome porphyry copper-gold (Cu-Au) project, located in BC's Golden Triangle. ArcWest's 100% owned Oweegee Dome project is located just 45 km east of Seabridge Gold's supergiant KSM-Iron Cap porphyry Cu-Au project, which according to Seabridge, is host to the world's largest undeveloped gold project by resources. Oweegee Dome is also situated 45 km east of Tudor Gold's Treaty Creek gold-silver-copper project, for which a measured and indicated resource estimate of 17 million oz Au and 93 million oz Ag was recently completed.

The letter agreement provides Sanatana with the exclusive right to negotiate an earn-in and joint venture agreement on ArcWest's Oweegee Dome project until May 24, 2021. Sanatana's due diligence process is anticipated to include a drill core review which, subject to COVID19 travel restrictions, is tentatively scheduled for early May, 2021.

Sanatana can earn an initial 60% interest ("First Option") in the Oweegee Dome project by funding, over a four-year period, cumulative exploration expenditures of \$6,000,000 and by making staged cash and share payments totaling \$500,000 and 2,000,000 shares, respectively. An additional, minimum exploration expenditure including \$600,000 of assessment work is required before December 31st, 2021.

Payments to ArcWest can be made as cash or Sanatana shares or a combination of 50% cash and 50% Sanatana shares at ArcWest's election.

Tyler Ruks, President and CEO of ArcWest commented, "ArcWest welcomes the opportunity to partner with Sanatana to explore our Oweegee Dome project, which is host to one of the largest underexplored porphyry Cu-Au systems in BC's Golden Triangle. Led by Peter Miles, Buddy Doyle, and Chairman Ian Smith, the Sanatana team

has a track record of global discoveries that have proceeded to mine development. This includes significant experience in northwestern British Columbia, where Ian Smith and his team at bcMetals Corp. engineered the Red Chris porphyry Cu-Au deposit for development, prior to being acquired by Imperial Metals Corp. Seventy percent of Red Chris was later purchased from Imperial by Newcrest Mining for US \$804 million.”

ArcWest’s corporate presentation is available for download [here](#). ArcWest’s technical presentation is available for download [here](#). These presentations are also available for download from www.arcwestexploration.com.

Sanatana may achieve the First Option by fulfilling the following:

- (a) paying to ArcWest \$500,000 and 2,000,000 common shares as follows:
 - (i) \$12,500 on signing of the letter agreement and an additional \$12,500 on signing of the definitive agreement;
 - (ii) \$25,000 and 300,000 common shares on or before December 31, 2021;
 - (iii) \$50,000 and 400,000 common shares on or before December 31, 2022;
 - (iv) \$100,000 and 600,000 common shares on or before December 31, 2023; and
 - (v) \$300,000 and 700,000 common shares on or before December 31, 2024;

- (b) incurring \$6,000,000 in exploration expenditures and an additional \$600,000 of assessment work on the property as follows:
 - (i) not less than \$600,000 of assessment work must be completed on the property before December 31, 2021;
 - (ii) additional Exploration Expenditures of not less than \$1,000,000 on or before December 31, 2022, which shall include a mandatory minimum of 1,000 meters of NQ Drilling;
 - (iii) additional Exploration Expenditures of not less than \$2,000,000 on or before December 31, 2023, which shall include a mandatory minimum of 2,000 meters of NQ Drilling;

- (iv) additional Exploration Expenditures of not less than \$3,000,000 on or before December 31, 2024, which shall include a mandatory minimum of 3,000 meters of NQ Drilling;

Upon completion of the First Option and receipt of the Initial Interest Notice from Sanatana, Sanatana will have a 60 day period to elect to earn an additional 20% interest, for an aggregate 80% interest ("Second Option"), or form a Joint Venture ("JV"). The Second Option can be attained by completing and delivering to ArcWest a Feasibility Study on or before the third anniversary of the Initial Interest Notice. In order to keep the Second Option in good standing, Sanatana will be obligated to pay to ArcWest \$150,000 on each anniversary of the delivery of the Initial Interest Notice until such time that the Feasibility Study has been completed and delivered to ArcWest. Following the exercise or lapse of the Second Option, the parties will form a JV to hold and operate the properties, and each party will proportionately fund or dilute. In the event a production decision is made by the Joint Venture to place the property into production, Sanatana shall arrange project financing for the Joint Venture, the repayment of which shall be made out of cash flows from the property. Should Sanatana or ArcWest's interest be diluted to less than 10%, then that interest will convert to a 2% Net Smelter Return Royalty, one percent of which may be purchased by the other party for \$5,000,000 at any time.

Oweegee Dome

ArcWest's 100% owned Oweegee Dome project is situated just 45 km east of Seabridge Gold Corp's supergiant KSM-Iron Cap porphyry Cu-Au project. The 31,077 hectare Oweegee Dome project contains two large underexplored porphyry Cu-Au systems of suspected KSM-Iron Cap age. These include the Delta and Skowill East Zones. The Delta target is situated at the southern end of the property and comprises a highly gossanous zone of variably altered and Cu-Au mineralized porphyritic intrusions and associated breccias that outcrop over a 20 square kilometre area. Similar to the Red Chris (Newcrest Mining-Imperial Metals) and Saddle North (Newmont) porphyry Cu-Au deposits to the north, host rocks to the Delta porphyry Cu-Au system are interpreted to be Late Triassic turbiditic marine sedimentary rocks of the Stuhini Group. Limited shallow inclined (-50 degree inclination) diamond drilling completed at the Delta Zone intercepted variably Cu-Au mineralized intensely QSP/clay-pyrite porphyritic intrusions and associated breccia over a widespread area. The predominant QSP/clay-pyrite alteration suggests a high level environment, with the potential to vector into higher grade Cu-Au mineralization with depth or laterally, as the systems transition to higher temperature alteration assemblages.

The northwest corner of Delta Zone is host to the best composite/panel samples collected on the property to date; eleven samples collected from this prominent gossan in 1997 returned assays averaging 0.53% Cu, 1.09 g/t Au and 4.8 g/t Ag. This zone is flanked by a significant Cu-Au soil anomaly where assays returned up to 0.1% Cu and 0.9

g/t Au. This prospective area remains untested by drilling. Similar to Seabridge's nearby Iron Cap porphyry Cu-Au deposit, the Northwest zone might be overlain by post mineral volcanic rocks (i.e., the prospective Triassic-Jurassic unconformity or "Red Line"; Nelson and Kyba, 2014). This suggests that the Delta porphyry Cu-Au system may be open to the north, and much greater in size than previously thought.

The Skowill East zone is located 10 km north of Delta zone and represents an additional, virtually unexplored porphyry Cu-Au system on the property. Historical reports describe the zone as a 2 km long gossan comprising intensely QSP/clay-pyrite altered porphyritic intrusions, wide spread breccia, and associated copper occurrences. The zone remains completely unexplored aside from basic prospecting and grab sampling.

The 2021 exploration program at Oweege Dome is anticipated to include geological mapping, geochemical sampling, geophysics and a potential first phase diamond drilling program.

References

Nelson, J., and Kyba, J., 2014, Structural and stratigraphic control of porphyry and related mineralization in the Treaty Glacier – KSM – Brucejack – Stewart trend of western Stikinia. In: Geological Fieldwork 2013, British Columbia Ministry of Energy and Mines, British Columbia Geological Survey Paper 2014-1, pp. 111-140.

About ArcWest Exploration Inc.

ArcWest Exploration is a project generator focused on porphyry copper-gold exploration opportunities throughout western North America. The company is in possession of ten 100% owned copper-gold projects throughout BC's premier porphyry copper-gold districts; at least four of these projects are scheduled to undergo partner funded drill testing in 2021. By conducting partner funded exploration on multiple exploration projects simultaneously, ArcWest's chances of discovery are enhanced while exposing shareholders to minimal dilution. The company is managed by an experienced technical team with a track record of discovery and a reputation for attracting well-funded senior partners, including Freeport McMoRan, Robert Friedland group companies, ITOCHU, Antofagasta and Teck.

Qualified Person

ArcWest's disclosure of a technical or scientific nature in this news release has been reviewed and approved by Jeff Kyba, PGeo, VP Exploration, who serves as a Qualified Person under the definition of National Instrument 43-101.

For further information please contact: Tyler Ruks, President and CEO at +1 (604) 638 3695.

Investors are cautioned that ArcWest Exploration Inc. has not verified the data from the KSM-Iron Cap, Treaty Creek, Red Chris and Saddle North deposits. Further, the presence and style of mineralization on these properties is not necessarily indicative of similar mineralization on the ArcWest Exploration Inc. property. Historical assays from drill programs on its properties have not been verified by ArcWest but have been cited from sources believed to be reliable.

This news release contains statements about ArcWest's expectations and are forward-looking in nature. As a result, they are subject to certain risks and uncertainties. Although ArcWest believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. The forward-looking statements contained in this news release are made as of the date hereof, and ArcWest undertakes no obligation to update publicly or revise any forward-looking statements or information, except as required by law.