

# Goldletter INTERNATIONAL

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

**INVESTMENT ALERT – October 15, 2018**

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



## Golden Arrow Resources (C\$ 0.30)

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

H+L prices (12 months) : C\$ 0.72 – 0.23

Net shares issued : 102.0 million shares  
Fully diluted : 114.5 million shares

Market Capitalization : C\$ 30.6 million  
(US\$ 23.5 million)

**One-year price target: C\$ 0.90**

## INVESTMENT ALERT

### Golden Arrow Resources expands into Chile with agreement to acquire the Atlantida Copper-Gold Project

On October 11, 2018, **Golden Arrow Resources** (“**Golden Arrow**”) announced that it has signed a Definitive Agreement to acquire the 3,450-hectare **Atlantida Copper-Gold Project** (“**Atlantida**”) in **Chile’s** 3<sup>rd</sup> Region, which is the host to multiple world-class copper and gold deposits.

**Atlantida** is an advanced project with combined mineral rights from two separate copper-gold deposits with a **historic resource estimate of 427 million tonnes averaging 0.43% copper equivalent**, but by **Golden Arrow** not treated as a current mineral estimate due to a qualified person not having done sufficient work to classify this estimate.

The resource includes a deep porphyry copper-gold target and a near0surface skarn with higher gold grades which together cover an area of approximately 225 hectares. Situated within the consolidated **Atlantida Property** this skarn zone is located on the western edge of the claim hosting the historic resource and extends onto an adjacent claim (now under option by **Golden Arrow**) that has historic workings but has had limited modern exploration.

**Golden Arrow's due diligence surface rock samples in this area returned up to 3.7 g/t gold ad 1.98% copper**, providing an excellent target for new mineral resources.

In addition, based on the preliminary due diligence review, **Golden Arrow** believes the Project is prospective for discovery of similar targets elsewhere within the consolidated **Atlantida property**.

**Golden Arrow** has completed legal and technical due diligence on the Project and is planning an aggressive program to delineate and drill test targets throughout the Project area.

The **Atlantida Project** will be managed under **New Golden Explorations**, a 100% subsidiary of **Golden Arrow**. All exploration work will be funded directly by **New Golden** through new venture capital sources.

The **Atlantida Project** includes two separate land packages that **Golden Arrow** has consolidated into a single project through the signing of two Definitive Agreements.

The first agreement includes a 48-month earn-in with minimal costs in the first year and total payments of US\$ 4 million. There is a 2% Net Smelter Royalty ("NSR") payable with half available for repurchase under certain terms. The second agreement includes a 24-month earn-in period for a total of US\$ 2 million and a 1% NSR that can be repurchased in full under certain terms.

The total land area of the consolidated **Atlantida Project** is approximately 3,450 hectares and is located 60 kilometres northeast of Capiapó at a attitude of 1,700 metres above sea level. There is an abundance of both outcrop and workings.

The **Atlantida Project** is situated within a metallogenic belt limited by the Atacama Fault System to the west and the Domeyko Fault System to the east. Within the Project area a copper-gold deposit covering .5 kilometres by 1.5 kilometres (225 hectares) area has been identified. Mineralization is hosted by porphyry intruded into limestone host rocks, as well as in the skarn at the porphyry-limestone contact.

These intrusives are very close in age to other in the region that host major **copper porphyry deposits**, such as Relincho, Lomas Bayas, Sierra Gorda and Spence, and **epithermal gold vein deposits** such as Guanaco and El Peñon.

Previous operations include **Inmet Mining** and **First Quantum Minerals** and over 29,000 metres of drilling, as well as surface sampling and geophysical work has been carried out in the deposit area. According to the preliminary information received by **Golden Arrow**, Inmet Mining completed a mineral resource estimate for the **Atlantida Project** in 2012, which showed 427.1 Mt containing 0.20% copper, 0.34 g.t gold, 227 ppm molybdenum, representing 0.43% copper equivalent.

As is was completed by a major company, it is believed likely that the methodology used was reliable, however. the key assumptions and parameters used in the estimate are unknown to the Company at this time.

Following a review of the information acquired, **Golden Arrow** will determine if it will immediately pursue the completion of a current mineral resource estimate by an independent Qualified Person, using CIM test practices and following the guideline of NI 43-101m or first proceed with additional exploration.

**Table 1. Historic Resource Estimate (Inmet, 2012).**

Zone	Tonnage (Mt)	Copper (% Cu)	Gold (g/t Au)	Molybdenum (ppm Mo)	Copper Equivalent (% CuEq)
Porphyry Cu-Au-Mo	257.5	0.25	0.21	42	0.42
Porphyry Au	130.5	0.06	0.53	3	0.38
Skarn	39.1	0.30	0.62	8	0.72
<b>Total</b>	<b>427.1</b>	<b>0.20</b>	<b>0.34</b>	<b>27</b>	<b>0.43</b>

## Company profile

**Golden Arrow** is an exploration company earning production income through its 25% share of **Puña Operations** in **Jujuy Province, Argentina**, a joint venture with and operated by 75%-owned **SSR Mining**, with more than 8 years of forecast production at the **Pirquitas-Chinchillas mining silver-zinc-lead deposit**. SSR Mining acquired its 75% interest in the Puña Operations from Golden Arrow against for consideration of payment of an amount of C\$ 17.8 million.

**Golden Arrow** is actively exploring on its more than 200,000, hectares of properties in **Argentina**.

The Company is a member of the **Grosso Group**, a resources management group that has pioneered exploration in Argentina since 1993.



### ► Production outlook Puña Operations

**Puña Operations** offers an 8.4 million silver equivalent production for 8 years and calculated at a silver price of \$ 19.50 per ounce represents US\$ 11.38 billion in gross sales, resulting in a post-tax cash flow of \$ 267 million and an NPV (5%) of \$ 178 million.

It is to be noted that only 25 hectares of the **Chinchillas Project** has been explored in detail to date, and the remaining 1,978 hectares having remained under- or unexplored.

### ► Q 3 production results Puña Operations

On October 11, 2018, **SSR Mining** reported the Q3 2018 production results for Puña Operations, which continued a positive performance **with a production of 0.7 million ounces of silver, more than doubled zinc production to 3.2 million pounds**, and successfully test processed Chinchillas ore.

Approximately 73,000 tonnes of ore from the **Chinchillas** pit were delivered to the **Pirquitas** site, of which approximately 30,000 tonnes were processed in two separate test runs and art of project execution.

The tests successfully validated metallurgical performance of the ore and produced saleable lead-silver and zinc concentrates.

In Q2 2018, **Puña** generated \$ 16.6 million in revenues, with a net profit of \$ 0.83 million.

**SSR** estimates total production of 3 million to 4.4 million from the **Puña Operations**, with **Golden Arrow** to receive a 25% share of the net profit.