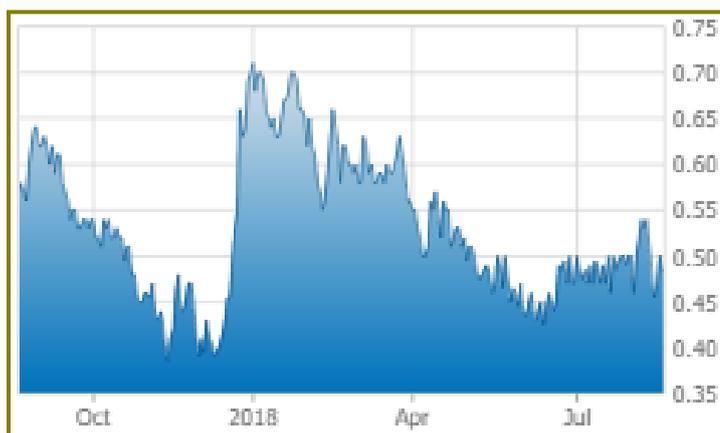


Goldletter INTERNATIONAL

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

INVESTMENT ALERT – August 21, 2018

www.goldenarrowresources.com



Golden Arrow Resources (C\$ 0.485)

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

H+L prices (12 months) : C\$ 0.72 – 0.37

Net shares issued : 101.9 million shares
Fully diluted : 114.5 million shares

Market Capitalization : C\$ 49.5 million
(US\$ 37.9 million)

One-year price target: C\$ 0.90

INVESTMENT ALERT

Golden Arrow provides update on Puña Operations, Argentina Q2 2018 results

On August 17, 2018, **Golden Arrow Resources** (“**Golden Arrow**”) reported that the Q 2 2018 results for **Puña Operations**, as reported by the Company’s joint venture partner and project operator **SSR Mining** (“**SSRM**”) in a news release dated August 9, 2018.

Golden Arrow owns a 25% share of **Puña Operations** (75% owned by **SSRM**), with more than 8 years of forecast production and upside potential at the **Pirquitas-Chinchillas** silver mining project.

► Update Chinchillas Project

Q2 2018 saw increased activities in both pre-stripping and construction with the completion of recruitment of new mine personnel and mobilization of contractors at both **Pirquitas** and **Chinchillas**. Material movement related to Chinchillas pre-stripping ramped over the quarter with the hiring of a new mine operation team and the workforce employed exclusively out of the local communities.

Exploration to expand resources continues, including a 2,400 metre surface drill program at **Pirquitas** targeting mineralization to augment underground mineral resources.

In Q1 2018, total material moved in the pre-stripping project to date was 1.83 million tonnes from the **Chinchillas** pit, including 0.1 million tonnes of ore. The mine completed construction of a waste dump and the main pit temporary access ramp.

Negotiations were also completed towards the end of Q2 for an ore transport contract with initial ore haulage from **Chinchillas** to **Pirquitas** commencing in July 2018.

Through Q3, continued ramp up in mining rates and ore haulage rates are expected to provide a stock pile of **Chinchillas** potential ore at the Pirquitas mill to allow processing to commence in the second half of 2018.

The **Chinchillas Project** remains on budget and on schedule to support sustained delivery of ore to the Pirquitas mill in **Q4 2018**.



Company profile

Golden Arrow Resources (“Golden Arrow”) is a material resource company engaged in earning production income actively exploring its more than 200,000 hectares of properties in **Argentina**.

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

On October 1, 2015, **Golden Arrow** announced that it had signed a business combination agreement with **SSR Mining** (previously Silver Standard Resources) to combine SSR’s Pirquitas Silver-Zinc mining operation with its **Chinchillas Silver-Lead-Zinc Project** into the **Puñá Operations** in the Province of Jujuy.

As at March 1, 2017, SSR Mining (previously Silver Standard Resources) exercised its option on the Project and on May 31, 2017, the Company formed **Puñá Operations** for the development of the Property.

The agreement has given Golden Arrow a 25% interest in the combination, with SSR Mining holding the remaining 75% and acting as operator.

Upon closing the agreement on May 31, 2017, **Golden Arrow** received **C\$ 17.8 million for the Pirquitas payment**.

In July 2017, **Golden Arrow** announced plans to transfer the rest of its Argentina assets, covering up to 215,000 hectares, into a newly incorporated, wholly-owned B.C. subsidiary called **New Golden Explorations**, pending registration as a shareholder in Argentina.

New Golden Explorations will be responsible for all future development as a separate division of **Golden Arrow**, which should simplify the process of raising capital and entering into future joint ventures.

 GOLDEN ARROW RESOURCES CORPORATION		Chinchillas Silver Project									
<ul style="list-style-type: none"> • Development underway; 1st milling H2 2018, ore to be trucked to Pirquitas • 2018 Guidance of 1.4 to 2.8 Moz silver¹ plus 7.0-12.5 Mlbs Pb, 5.5-7.5 Mlbs Zn 											
Mine Life	8 years	Net Revenue	\$1,062M								
Total material mined:	66.6 M tonnes	Pre-tax Cash Flow	\$351M								
Strip ratio:	4.7	Post-tax Cash Flow	\$267M								
Processing rate:	4,000 tpd	Post-tax NPV (5%)	\$178M								
Average annual production (8 years active mining)	6.1 Moz Silver	Post-tax IRR	29.1%								
	35.0 Mlb Lead	Payback period (years)	3.5								
	12.3 Mlb Zinc	For full details please refer to the pre-feasibility study details in the news release dated March 31, 2017.									
	8.4 Moz Silver Equivalent	Cash costs are net of estimated capitalized stripping over the life of mine, which is estimated at \$62M total. Please refer to Disclaimers.									
Total Production	51.0 Moz Silver 71.0 Moz Silver Equivalent	<table border="1"> <thead> <tr> <th colspan="2">Assumed Metal Prices</th> </tr> </thead> <tbody> <tr> <td>Silver</td> <td>\$19.50/oz</td> </tr> <tr> <td>Lead</td> <td>\$0.95/lb</td> </tr> <tr> <td>Zinc</td> <td>\$1.00/lb</td> </tr> </tbody> </table>		Assumed Metal Prices		Silver	\$19.50/oz	Lead	\$0.95/lb	Zinc	\$1.00/lb
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Operating Costs:	\$45.34/t milled	<table border="1"> <tr> <td>TSX-V: GRG</td> </tr> <tr> <td>FSE: GAC</td> </tr> <tr> <td>OTC: GARWF</td> </tr> <tr> <td>10</td> </tr> </table>		TSX-V: GRG	FSE: GAC	OTC: GARWF	10				
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10											
Cash Cost:	\$7.40/oz Silver (net of by-products)										
All-in sustaining capital cost:	\$9.75/oz Silver (net of by-products)										
Development Capital	\$81 M										
Sustaining Capital	\$44 M										



- **2017 Highlights¹** (100% Project basis)
 - 6.177 Moz silver produced in 2017
 - Ore milled at avg. 4,927 tpd (~25% > than nominal throughput)
 - Cash costs² of \$13.07 and AISC of \$14.30/payable ounce of silver sold.
 - 6 Moz silver sold² at average of \$17.10
- **H1 2018** - 1.9 Moz of silver and 1.5 Mlb zinc were produced from stockpiles³

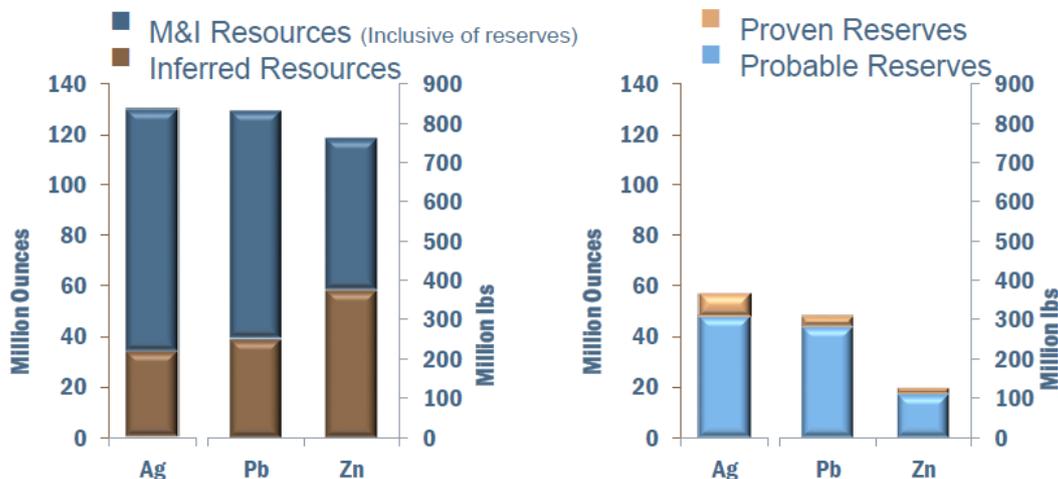


¹SSRI news release 15/01/2018
²SSRI news release 22/2/2018
³SSRI news release 12/07/2018

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- Significant resources remain available to convert to reserves via additional drilling and/or increased metals prices





- Pioneers of Exploration in Argentina since 1993;
- Four major discoveries:
 - Gualcamayo (Yamana Gold)
 - Navidad (Panamerican Silver)
 - Chinchillas (now being developed in JV with SSR Mining.)
 - Amarillo Grande U-V (Blue Sky Uranium Corp.)
- A focus on community relations



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Investment comments:

With its exploration activities focused on Argentina, the announced US\$ 1 million exploration program at its **Pescado Gold Project** in San Juan Province, follows the recent business agreement with **SSR Mining** to combine its **Chinchillas Silver-Lead-Zinc Project** with SSR's Piriquitas Silver-Zinc mining operation in the formed **Puña Operations**. This strategic step has significantly exceeded **Golden Arrow's** potential as a junior silver producer, enhanced by its strong financial position after having received C\$ 17.8 million for the Piriquitas payment.

In this respect, it is noteworthy that the Puña Operations will be one of SSR's three priority projects, next to its producing Marigold Mine in the United States and the Seabee Gold Operation in Canada. **SSR** has a present market valuation of C\$1.59 billion.

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.

Besides Puña Operations, **Golden Arrow's** other properties, including the **Pescado Gold Project**, to be separated into **New Golden Explorations**, could create a significant added value, and stresses my investment recommendation.

However, due to the weakness of the gold price, I have extended my price target of C\$ 0.90 to the period of a year.