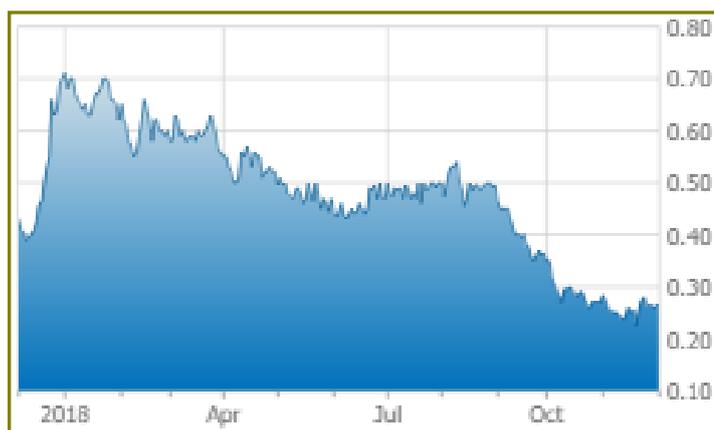


# Goldletter INTERNATIONAL

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

**INVESTMENT ALERT – December 4, 2018**

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



## **Golden Arrow Resources (C\$ 0.255)**

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

H+L prices (12 months) : C\$ 0.72 – 0.22

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

Market Capitalization : C\$ 26.0 million  
(US\$ 19.5 million)

**2019 price target: C\$ 0.90**

## **INVESTMENT ALERT**

### **Golden Arrow Resources reports commercial production declared at Chinchillas Silver-Zinc-Lead Mine in Argentina**

On December 3, 2018, **Golden Arrow Resources** (“**Golden Arrow**”), announced that the Company’s joint venture and operating partner in **Puña Operations** at the **Chinchillas Mine** in Argentina, **SSR Mining** has declared commercial production at the mine.

**SSR Mining** holding 75% in the joint venture reported that activities to support sustainable ore delivery from the Chinchillas Mine to the **Pirquitas plant** have been completed, including pre-stripping of the pit, completion of road bypasses, refurbishment and mobilization of the haul truck fleet, and construction of the crushed ore stockpile dome at the Pirquitas site.

Ore delivery to the **Pirquitas plant** ramped up through November and targeted haulage rates were demonstrated. The Pirquitas plant demonstrated Chinchillas ore at a rate of approximately 3,000 tonnes per day during test processing.

**SSR** expects to progressively increase to its targeted plant throughput rate of 4,000 tonnes per day as the plant transitions to Chinchillas ore in December 2018.

The remaining scope of the Chinchillas and Pirquitas sites, which is expected to be concluded through the first quarter of 2019.

The entire project scope is on track to be completed on budget.



## 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 ounces of silver in 2018 from the **Puña Operations**, with **Golden Arrow** to receive a 25% share of the net profit.

## ► Expanding exploration into Chile

On October 11, 2018, **Golden Arrow** announced that it had signed a Definitive Agreement to acquire the **Atlantida Copper-Gold Project**, which is the host to multiple world-class copper and gold deposits with a historic resource estimate of 427 million tonnes averaging 0.43% copper equivalent.

This was followed by the announcement on October 31, 2018 that the Company has entered into a Definitive Agreement to acquire up to 100% of the **Indiana Gold-Copper Project** in **Chile**.

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

## Investment comments:

With the **Chinchillas Silver-Zinc-Lead Mine** ready for commercial production by **SSR Mining**, with a current market valuation of C\$ 1.7 billion being recognized as a major silver producer, with **Chinchillas** one of its three priority projects, and in addition **Golden Arrow** having diversified its exploration activities to Chile which are offering an attractive added investment value, the new positive developments underpin my investment recommendation for **Golden Arrow**, with a **2019 price target of C\$ 0.90**.