

Goldletter INTERNATIONAL

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

INVESTMENT ALERT – November 5, 2018

www.goldenarrowresources.com



Golden Arrow Resources (C\$ 0.275)

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\$ 28.0 million
(US\$ 21.3 million)

One-year price target: C\$ 0.90

INVESTMENT ALERT

Golden Arrow Resources options advanced-stage Indiana Gold-Copper Project in Chile

On October 31, 2018, **Golden Arrow Resources** (“**Golden Arrow**”) announced that the Company has entered into a Definitive Agreement with **Mineria Activa**, a Chilean private equity management firm focused on exploration to production-stage assets in the mining sector, to acquire up to 100% of the 2,300-hectare **Indiana Gold-Copper Project** in Chile’s 3rd Region.

The **Indiana Project** is located approximately 35 kilometres from the Company’s new **Atlantida Copper-Gold Project** and is situated within an Iron-oxide-copper-gold (IOCG) belt that includes deposits such as Manto Verde, Candelaria and Cerro Negro Norte.

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 through new venture capital sources.



Inferred Resource estimate @ 4 g/t AuEq cut-off

Vein	Tonnage (KT)	Au (g/t)	Cu (%)	Mo (%)	AuEq (g/t)	AuEq ounces ('000)
Bondadosa	910,400	3.4	1.0	0.019	5.5	160,900
Rucas	750,200	2.1	1.7	0.006	5.6	133,800
Flor de Espino	638,100	3.5	1.3	0.002	6.3	128,300
Indian III	351,400	1.9	1.4	0.009	4.9	55,200
Rosario	443,600	2.7	3.1	0.010	9.0	128,00
Total	3,093,700	2.8	1.6	0.010	6.1	607,000

Notes: **AuEq** based on the following prices: **gold** -US\$1,100/oz, **copper** -US\$2.80/lb, **molybdenum** -US\$12/lb, and adjusted for the following recovery rates: **gold** -75%, **copper** -88%, **molybdenum** -60%

The Project features a new surface deposit of high-grade gold and copper vein-hosted mineralization with a historic resource estimate. The deposit area is permitted for mining and there are currently two ramps allowing underground access for exploration and development.

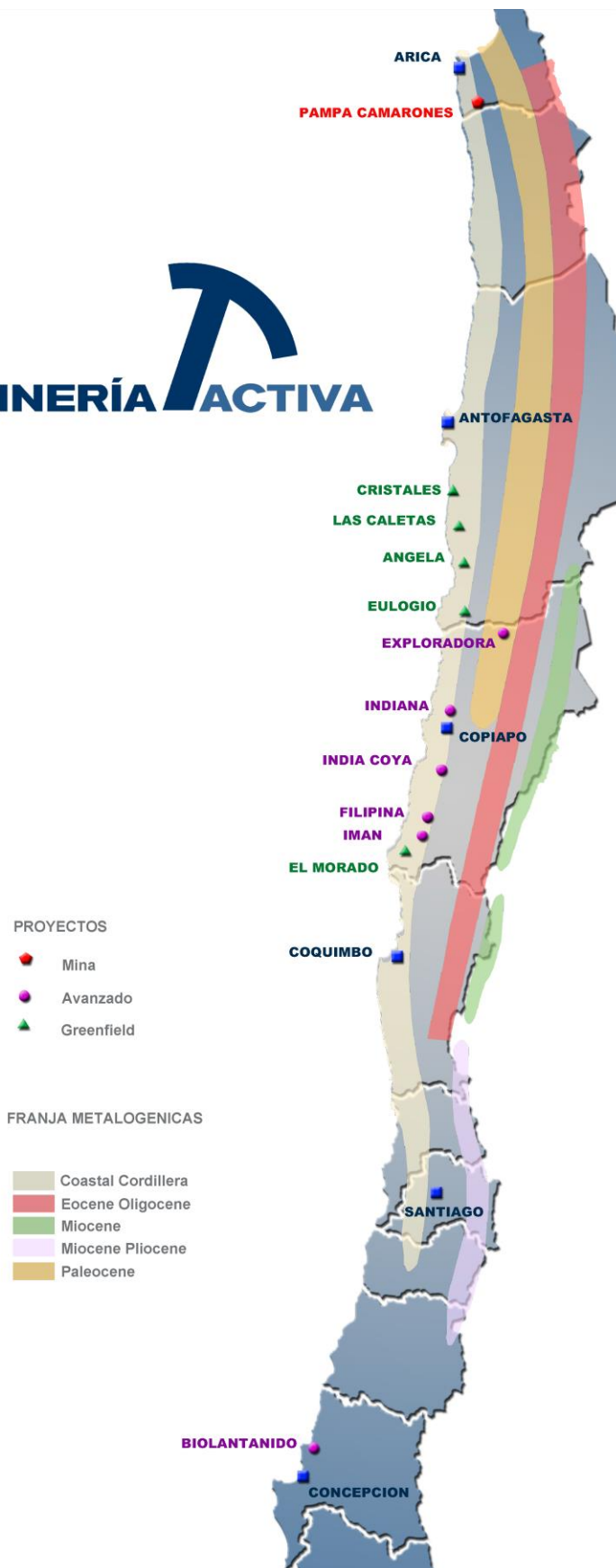
Highlights of the **Indiana Project** include:

- A historic **Inferred minerals** estimate of over **600,000 ounces of gold equivalent (“AuEq”)** consisting of 3.09 million tonnes averaging 2.8 g/t gold and 1.6% copper, at a 4 g/t AuEq cut-off, supported by an NI 43-101 Technical Report. Although believing that the historical resource has been a reliable estimate of Inferred Resources at the time of its publication, a Qualified Person has not done sufficient work to classify this estimate a current mineral resource and **Golden Arrow** is not treating this as a current mineral resource estimate.
- 13,000 metres of diamond drilling completed in over 40 holes, 2,000 chip and trench samples
- Metallurgical testing, flotation tests indicate recoveries of 90% for gold and 92% for copper for sulphide mineralization
- Significant potential to increase the size and grade of the deposit; Access ramps into the deposit have allowed for more detailed exploration.
Recent work returned channel samples averaging 1.6 metres width and 9 g/t gold AuEQ, over 150 metres in ramp A, and an average of 1.5 metres width at 7.5 g/t gold, over 100 metres in ramp B, approximately 70 metres lower. New mineralized vein splays have also been identified
- High potential for additional mineralization and new resource throughout the Property
- **Potential to fast track the Project to production with existing mining permits and access drifts completed**
- Easy access to water and energy, no environmental or community concerns

Terms for the Definitive Agreement with **Mineria Activa** are US\$ 100,000 payment on signing, followed by USD\$ 15 million in payment stages over 38 months.

Prior to **Golden Arrow** making the last payment of \$ 7 million at the end of year 4, **Mineria Activa** has the option to retaining 25% of the Project which will then move forward on a pro rata basis.

MINERÍA ACTIVA



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.