Golden Arrow Chairman's Update

written by Raj Shah | January 25, 2018



January 25, 2018 (Source) – **Golden Arrow Resources Corporation** (TSX-V:GRG) (FSE:GAC) (OTCQB:GARWF) **("Golden Arrow" or the "Company")**

2017 was a significant year for Golden Arrow Resources Corporation as management moved to establish **two value streams** for the Company.

Golden Arrow's production income from the integration and production start-up, within the next six months, of the Chinchillas silver deposit, will be **the first value stream** creating yearly income for Golden Arrow.

The **second value stream** will be from the continuation of our very successful technical exploration team targeting key projects in Golden Arrow's prolific property portfolio. In order to continue exploration, Golden Arrow has formed a 100% owned subsidiary called **"New Golden Explorations Inc."** which will seek a listing on the stock exchange to access funding for future exploration. Golden Arrow intends to initially give up 40% and retain a 60% carried interest on new discovery values. This can add potential sizeable value to Golden Arrow.

FIRST VALUE STREAM: Puna Operations Receives Approval of the Environmental Impact Assessment Report for Exploitation of the Chinchillas Silver Deposit

We are pleased that Puna Operations Inc. has received approval of the Environmental Impact Assessment (EIA), which allows for

the exploitation of the Chinchillas silver lead zinc deposit in Jujuy Province, Argentina. This paves the way for expected delivery of first ore from Chinchillas to the Pirquitas mill in the second half of 2018, eventually reaching planned life of mine annual average production of 8.4M ounces silver equivalent.

In 2017, Golden Arrow concluded a long-negotiated joint venture with SSR Mining Inc., which resulted in the formation of **Puna Operations Inc.** This establishes one of two significant value streams for the Company.

This joint venture formation resulted in the combination of the Chinchillas project with a full processing plant in operation at the Pirquitas property with an experienced production team. It includes production from stockpiled ore from the Pirquitas Mine until ore can be supplied from Chinchillas. In addition, Puna Operations' other near term targets include a potential underground mine, which would provide an additional ore source for the Pirquitas mill. The regional exploration upside at Chinchillas and Pirquitas, along with the remaining majority of undrilled Chinchillas properties (see attached map), can potentially increase the production of Puna Operations and increase the life of the operations.

Under the terms of the agreement with SSR Mining, Golden Arrow has a 25% share in Puna Operations and received a $17.8M payment from SSR Mining on May 31, 2017, when the joint venture was formed.

Puna Operations is overseen by a Board of Directors on an operating committee, which includes GRG's representative Mr. Alf Hills. Mr. Hills is a mining engineer with over 35 years of international mining evaluation, development and operational experience.

Golden Arrow's 25% share is equivalent to having a right to an

average of 2.1M oz. silver equivalent per year over the projected eight year mine life as outlined in the Chinchillas Pre-feasibility Study, with the potential for mine life extension thereafter, making Golden Arrow a mid-tier producer now looking for more production partnerships.

For additional information on Puna Operations and the potential of the Pirquitas and Chinchillas assets, please see SSR Mining's January 2018 corporate presentation available on its website at www.ssrmining.com.

SECOND VALUE STREAM: Structuring of a New Subsidiary Called "New Golden Explorations Inc."

New Golden Explorations is currently exploring and plans on drilling three very advanced prospects to achieve new discoveries. Exploration restarted on all the projects on January 7, 2018, creating a second value stream for shareholders of Golden Arrow. New Golden Explorations will be funded through new venture capital sources.

The foregoing should attract readers to consider the value represented by Golden Arrow: cash on hand, granted exploitation permit and two company value streams that will accrue long lasting potential values in the very near future.

About Golden Arrow:

Golden Arrow Resources Corporation is an exploration company earning production income. The Company has a successful track record of creating value by making precious and base metal discoveries and advancing them into exceptional deposits. Golden Arrow owns a 25% share of Puna Operations Inc., a joint venture operated by SSR Mining, with more than 8 years of forecast production and upside potential at the Pirquitas -Chinchillas silver mining project. 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 resource management group that has pioneered exploration in Argentina since 1993.

ON BEHALF OF THE BOARD

"Joseph Grosso"

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Mr. Joseph Grosso,
Executive Chairman, President and CEO

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