

# Golden Arrow “significantly undervalued” following completion of Silver Standard Resources deal

Upon completion of the deal with Silver Standard Resources to couple the Chinchillas site with the existing Pirquitas processing plant, Golden Arrow Resources Corporation. (TSXV: GRG | OTCQB: GARWF) (“Golden Arrow”) saw a very healthy climb in share prices. Equity prices have since sunk back down to pre-agreement levels and today’s valuation has them trading at C\$0.66 with a market cap of C\$64.7m, but analysts are suggesting that this is way beneath the true worth of this fast-tracked company given that revenues are ultimately expected to reach over a billion; Hallgarten & Company has a twelve-month target for Golden Arrow of \$C1.45, and the newfound cash flow, along with enticing results that continue to emerge from the company’s Antofalla site in Catamarca strongly corroborate their thesis.

A junior of this age would normally have little or no access to regular income, but the deal with Silver Standard provides Golden Arrow with 25% ownership of a joint venture (JV) that includes the continued processing of the remaining ore at the Pirquitas site. This area would be facing the end of its life very shortly, and Golden Arrow would be much further from the title of producer, but the operation created from the JV (Puna Operations Inc.) can now enjoy the benefits of joint infrastructure, a ready-made processing facility, twelve-months of ore already awaiting milling, and further material from Golden Arrow’s Chinchillas site among others.

The company now has access to eight land packages including the Antofalla site in Catamarca province. Recent drilling at

Antofalla revealed yet further good news, returning significant silver and gold values, pumping even more potential life into the new JV. Brian McEwen, Golden Arrow's Vice President of Exploration and Development commented:

*"Not since our first months at the Chinchillas project has the team been so excited about the potential for a significant discovery. The last three months have proven extremely successful in advancing our knowledge of the extensive system at Antofalla and the priority target areas. Our preliminary findings confirm that not only are there good opportunities to expand the known mineralization but also to define new mineralization outside the known zones."*

The company released a pre-feasibility study on Chinchillas around the same time as the JV was announced, demonstrating that the site was capable of average annual silver equivalent production of 8.4 million ounces over an eight-year mine life, lead production of 35m lbs per annum and zinc production of 12.3m lbs per annum. Silver prices are expected to be the subject of a strong rally in the near future, and the price of zinc saw a record surge in 2016 driven by mine closures and President Trump's planned infrastructure drive.

Additionally, the changes in the Argentine government over the last couple of years have seen the new president scrap a 5% mining tax, creating an incentive for new companies to seek projects in the region. President Mauricio Macri pledged to repeal the long history of state intervention which has been perceived by many to scare away investors, and now that he's making good on his promises, the companies already situated there are the ones reaping the most from the new mining-friendly image of Argentina.

Based on and subject to the permitting process, construction at Chinchillas is anticipated to begin during the third quarter of 2017 with ore delivery to the Pirquitas mill expected in the second half of 2018, but there is really no

reason to wait any longer to get in on this favourable cooperative synergy; Golden Arrow really could become one of the top silver players in Argentina in record-breaking time, and their value will be more-accurately represented sooner rather than later.

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## **Neo Lithium: On-track to join the ever-growing ranks of producing juniors**

Lithium has unquestioningly become a critical material, and the industry has really come into its own over the last few years. All signs point to an increase in demand of around 20,000 tonnes per year for at least the next few years, and hundreds of projects are creeping towards production. Neo Lithium Corp. (TSXV: NLC) ("Neo Lithium") is well on-track to join the ever-growing ranks of producing juniors.

Neo Lithium entered into a \$25m bought deal financing with Sprott Capital Partners following excellent progress on their promising brine and salars project. The company will issue 22.73 million units at a price of \$1.10 per unit. The net proceeds, some \$25m, will be used primarily to advance Neo Lithium's Tres Quebradas project in Catamarca Province.

Neo Lithium is a relatively new junior on the scene, having floated on July 20, 2016 at CAD 1.20 per share. The stock did well and reached its year high of CAD 2.09, then retreated slowly back to a year low of CAD 0.91, recovering since then to its original CAD 1.20. In July 2016, lithium hype was running very strong, and we believe that the recent price dip has created an excellent entry point for anyone who missed the

boat first time around.

The 3Q Project is located in the southern end of the “Lithium Triangle” in the Puna Plateau. The area is characterized by high altitude salt flats, many of which contain elevated lithium concentrations. Preliminary brine sampling results indicate these values are comparable, and in most cases higher, than current producing mines or projects under construction.

The largest lithium brine projects in the world are located in salars in the Lithium Triangle. The Project is located in the southwestern portion of the Catamarca Province of Argentina, the largest Lithium producing province of Argentina. The closest paved road to the Project is Ruta Nacional 60, which connects the capital city of San Fernando del Valle de Catamarca, to Copiapó and the seaport of Caldera, via Paso de San Francisco. Neo Lithium is sole owner of the extensive brine/salar reservoir complex, which remains one of the lowest impurity brines in the industry.

Last year the company published geophysical results, which suggest that the northern portions of the project, including the northern reservoir and northern salar, were larger than originally thought by around 3km, taking it to approximately 100km<sup>2</sup>, and extending down to approximately 100 metres under the northern reservoir and as deep as 300 metres under some sectors of the 3Q salar. Thus, the company’s total claim encompasses a recorded 300km<sup>2</sup> of the lithium triangle. Importantly, this claim houses the large lake-like complex and there are no competing claims to this property from any competitors.

CEO Waldo Perez had this to say regarding the geophysical results:

*“The final geophysical survey results on the 3Q project are very impressive and encouraging. These results indicate that*

*the highest-grade lithium zone is extensive and deep, generating a much larger target than originally anticipated.”*

The results of various studies completed by Neo Lithium show that for every hectare of solar evaporation pond constructed, approximately 25 tonnes of lithium carbonate could be recoverable, very similar to other projects in the region. The results of the studies also demonstrate that the brine could produce potash as a by-product during the simple evaporation process, creating the potential for additional revenue at a later stage. With these results in hand, Neo Lithium has already forged ahead in designing a single hectare pilot pond series that will be constructed on-site to test these results.