Golden Arrow Expands into Paraguay with 64,000 Hectare High-Grade Gold Prospect

written by Raj Shah | August 14, 2019

August 14, 2019 (Source) – **Golden Arrow Resources Corporation (TSX-V: GRG, FSE: G6A, OTCQB: GARWF), "Golden Arrow" or the "Company")** is pleased to announce that the Company has entered into an option agreement to acquire a 100% interest in the highly prospective Tierra Dorada Project, a district-scale high-grade gold project covering an area of 640 km^2 (63,854 ha) in two blocks in southeastern Paraguay ("Tierra Dorada" or the "Project"). The Project is located in an under-explored area underlain by Precambrian crustal rocks that exhibits geological characteristics and styles of mineralization similar to those associated with many significant Orogenic-type gold deposits in similar geologic terranes in Brazil, Canada and West Africa.

"Paraguay is considered one of the last frontiers of mineral exploration in South America with excellent prospects for a major gold discovery. This fits our strategy of broadening jurisdictional activity to regions that exhibit exceptional opportunities for world class discoveries using Grosso Group's core principles of respect for locals", commented Golden Arrow President and CEO Joseph Grosso. *"The Grosso Group was a pioneer of exploration in Argentina, where we have built a highly-regarded and successful team with outstanding technical expertise and strong community and government relations. We are very pleased to add this district-scale project in Paraguay to*

our growing gold-focused portfolio."

Highlights of the Tierra Dorada Project include:

- Multiple gold targets already defined; outlined by soil and rock geochemical anomalies in an area dominated by flat topography and sparse outcrop
- Golden Arrow's due diligence sampling included rock chip assays that ranged from 3.3 g/t to 15.1 g/t gold collected along a 2.5 km trend of sub-outcropping quartz veins; visible gold locally observed
- Historic work included:
    - Up to 14 g/t gold in stream sediment samples
    - 347 rock samples; top 33 had gold analyses averaging 15.8 g/t gold; ranging from 0.1 to 148.4 g/t gold mainly from quartz/sulphide/oxide vein material
    - Six shallow reverse circulation (RC) drill holes completed by Yamana Gold Inc.in 1996, with reported results including 3 m averaging 2.87 g/t gold
- Banded iron formation hosting gold in quartz veins

Golden Arrow is currently planning a comprehensive exploration program for the Tierra Dorada Project that is scheduled to commence in September. Work will initially focus on known gold targets and advance systematically to include reconnaissance over the large and highly prospective project area. Activities will include surface mapping/sampling, geochemical trenching and geophysical surveys to rapidly define drill targets.

About the Project

The almost 64,000 hectare, road-accessible Tierra Dorada Project includes two separate property blocks of 34,566 and 29,288 hectares, situated 6 km apart (see Figure 1). The city of Villa Florida is in the centre of the project at 80 metres above sea level. The topography is relatively flat, with scarce outcrop. Powerlines cross both properties.

Golden Arrow has executed a Definitive Option Agreement (the "Agreement") with respect to the Project. The terms of the Agreement include staged escalating payments over six years totaling US$2,000,000, with an additional payment of US$2,000,000 due thirty (30) working days following the date of commencement of any commercial production on the Property.

Under the Agreement, the Company, through its wholly owned Paraguayan subsidiary, filed its own application for a "prospecting permit" for the Project with the applicable governmental regulatory authorities. The prospecting permit received pre-approval with no objections from the Vice Ministry of Mines, additionally, the environmental permit has been fully approved by the Ministry of Environment. The final step in the process is the final issuance of the permit by the Ministry of Public Infrastructure, which will allow the Company to move forward with surface sampling, geophysical programs and drilling of up to 20 metres in depth. The prospecting permit is valid for one year and can be renewed for a second year. As the project advances, application can be made for an exploration permit or a mining permit, as appropriate to the level of work required. We expect that the final issuance of the permit will happen in the next few days, since the permit request has been reviewed and there have been no objections.

Geology Overview

In southern Paraguay, the Precambrian basement of Lower Proterozoic age comprises a metamorphic suite of gneisses, metaquartzites, schists and iron formations of the Tebicuary Complex overlain by clastic sediments including conglomerates, sandstones and siltstones that have been subjected to low grade metamorphism (Paso Pindo Group). In the north, the Upper Proterozoic-Cambrian granites and granodiorites are associated with tuffs and rhyolitic flows. The Tierra Dorada project covers

most of the area of the Tebicuary Complex of lower Proterozoic age (2,000 My), where the known gold mineralization has been detected so far.

Exploration

The southern property block has been the focus of most of the historical exploration work to date in the area, with four main target areas delineated. The most advanced of the four targets, San Miguel, includes two parallel northeast trends approximately three km in length, with iron rich laterites developed in quartzites and gneisses. Previous work at San Miguel included soil and rock sampling, and pan concentrate collection from stream sediments. Previous operators included The Anschutz Co. in the late 1970´s and early 1980´s, and Yamana Gold Inc. in the 1990´s. Yamana carried out trenching and drilled six shallow reverse circulation holes along the eastern trend defining gold mineralization in laterites. There is no public report available for this work, however drilling sections have been obtained showing geology and assays from four vertical holes up to 88 m deep.

Historic drilling highlights include:

- 6.1m @ 1.12 g/t Au, including 1.5m @ 3.32 g/t Au in SM-H3 starting at 12.2 metres depth
- 3.05m @ 2.87 g/t Au, including 1.5m @ 3.74 g/t Au in SM-H4 starting at 19.8 metres depth
- 4.57m @ 1.72 g/t Au, including 1.5m @ 2.85 g/t Au in SM-H5 starting at 9.2 metres depth
- 3.05m @ 1.35g/t Au, including 1.5m @3.6g/t Au in SMH6 starting at 27.5 metres depth

At the Alvaro target, located three km to the north of the San Miguel target, there are three showings of sub-outcropping quartz veins over a distance of 2.5 km. At one of these

showings, sampling by previous operator Paraguay Gold reportedly yielded assays of up to 148.4 g/t Au. The terrain in the area is very flat with limited outcrop so it remains uncertain whether these areas of veining are part of a single vein or related to a composite vein system. Golden Arrowdue diligence sampling confirmed the presence of gold mineralization with values of 3.3, 15.1 and 16.1 g/t Au from samples from each of the three showings. This target has seen limited exploration work to date. Historic stream sediment samples in the same area returned up to 154 ppb gold.

The other two targets, Itayuru and Cerro Pero, are located 9 and 14 km to the SW of the San Miguel target, respectively. Historic sampling by Anschutz Co. and Paraguay Gold reportedly returned values ranging from -48 ppb Au up to 7.04 ppm Au in quartzites and 68 ppb Au up to 2,147 ppb Au in pan concentrate samples.

While the Company believes the preceding historical drilling and sampling data are reliable, readers are cautioned that a "qualified person" (as defined by National Instrument 43-101) has not yet completed sufficient work to be able to verify the historical information, and therefore the information should not be relied upon. All data was provided by the property vendor.

QA/QC

Due diligence samples were shipped for preparation and analysis at Alex Stewart-Mendoza, an independent internationally recognized assay service provider. They were assayed for gold by Fire Assay/Atomic Absorption finish.

Qualified Persons

The results of the Company's exploration program have been reviewed, verified (including sampling, analytical and test data) and compiled by the Company's geological staff under the supervision of Brian McEwen, P.Geol., VP Exploration and

Development to the Company. Mr. McEwen is a Qualified Person as defined in National Instrument 43-101, and has reviewed and approved the contents of the news release.

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. Golden Arrow is actively exploring a new portfolio of advanced projects in Chile, as well as its new district-scale Tierra Dorada project in Paraguay and other targets within its portfolio of more than 185,000 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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