Golden Arrow Options Advanced-Stage Indiana Gold-Copper Project, Chile

written by Raj Shah | October 31, 2018

October 31, 2018 (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 a Definitive Agreement (the "Agreement") to acquire up to 100% of the Indiana gold-copper project in Chile's 3rd Region ("Indiana" or the "Project"). Indiana is located approximately 35 kilometres from the Company's new Atlantida copper-gold project (see News Release dated October 11, 2018). The Project features a near surface deposit of high-grade gold and copper vein-hosted mineralization, with an 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:

- An historic Inferred mineral resource estimate of over 600,000 ounces of gold equivalent ("AuEq") consisting of 3,093,700 tonnes averaging 2.8 g/t gold and 1.6% copper, at a 4 g/t AuEq cut-off, supported by a NI 43-101 Technical Report. (see Table 1 below; 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 meters of diamond drilling completed in over 40 holes, 2000 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 AuEq, over 150 metres in ramp A, and an average of 1.5 metres width and 7.4 g/t AuEq, 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 resources 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

"With the addition of the advanced-stage Indiana Project to the recently acquired Atlantida Project we solidify our presence in Chile, emphasizing our commitment to the rapid identification of new resources, and value growth for our shareholders," commented Joseph Grosso, Executive Chairman, CEO & President. *"Indiana has the added benefit of two growth paths – a fast track to production thanks to the existing mining permit and historical resources, and exploration upside both within the known vein system and throughout the property."*

Golden Arrow has completed legal and technical due diligence on the Project. The Indiana Project represents a near term production target. The deposit area is permitted for mining and there are currently two completed ramps allowing access for exploration and development. The Company is planning a program to complete a resource estimate at the Measured and Indicated level in the existing deposit area, as well as an economic assessment, and an aggressive program to delineate and drill

test targets throughout the Project area to delineate other resources. The Indiana Project will be managed under New Golden Explorations Inc., a 100% owned subsidiary of Golden Arrow. Both the Indiana and Atlantida Projects will be managed out of a new exploration camp proximal to both Projects.

About the Indiana Gold-Copper Project

Golden Arrow has executed a Definitive Agreement with Mineria Activa SpA, ("MSA"), a Chilean private equity investment management firm focused on exploration to production-stage assets in the Mining sector. Terms for the Definitive Agreement are US$100,000 payment on signing, followed by US$15M in payments staged over 48 months. Prior to Golden Arrow making the last payment of $7M at the end year 4, MSA has the option of retaining 25% of the Project, which will then move forward on a pro rata basis.

The 2,300 hectare, road-accessible Indiana Project is located approximately 40 kilometres north of the city of Copiapó in the 3rd Region of Chile at 1470 metres above sea level. Indiana is situated within an Iron-oxide-copper-gold (IOCG) belt that includes deposits such as Manto Verde, Candelaria and Cerro Negro Norte. The property hosts historic mineral resources in a high-grade gold-copper vein system, with a permit for mining over the area of the historic resource. Golden Arrow believes there is excellent potential to expand the known deposit, as well to delineate additional mineralization regionally on the Project.

Work by previous operators of the Project includes 13,000 metres of diamond drilling in 40 holes, 2,000 chip and trench samples, and detailed geology and structural modeling. Eight major ~1 metre wide veins ranging up to 1.5 kilometres in length and down to 400 metres depth have been delineated. In 2013, a mineral

resource estimate was completed for MSA, including a supporting technical report following the guidelines of National Instrument ("NI") 43-101 titled "Technical Report Indiana Gold and Copper Project Region III Chile". The Qualified Person for the technical report is Dr. Eduardo Magri, who at the time of the report was a registered and active Fellow of the South African Institute of Mining and Metallurgy. Dr. Magri is a mining engineer with a Master's degree from the Colorado School of Mines and a PhD from the University of Witwatersrand with over 30 years of experience as a Project Engineer and Expert Consultant for several mining and engineering companies. In 2010, he was awarded the Alexander Sutulov National Mining Award in Chile. In addition to consulting, he has served as an Associate Professor in the Mining Engineering Department at the Universidad de Chile.

The historical resource estimate for the veins averaging over 4 g/t gold-equivalent is summarized in Table 1:

Table 1. Inferred Resource Estimate @ 4g/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:	The following parameters were used in the calculation of equivalent grade: Gold equivalency 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% (e.g. 1 lbCu = (1 x $2.80) / $1,100 x (88% / 75%) Au Eq.) Areas, tonnages and metal content are rounded to the nearest hundred square meters, tonnes and ounces respectively; vein thickness is rounded to the nearest centimeter, grades are rounded to two decimal places. Rounding may result in apparent differences between tonnes, grade and metal content.

Readers are cautioned that Golden Arrow's QP has reviewed the NI 43-101 for this historical resource estimate and believes it to have been a reliable estimate of Inferred resources at the time of its publication, however 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. Golden Arrow plans to proceed with a program to delineate current mineral resources by an independent Qualified Person, using CIM best practices and current long-term pricing.

The report by Dr. Magri also summarized the metallurgical test work that has been completed, reporting rougher cleaner (flotation) gold recoveries in sulphide mineralization of over 85%, with a maximum of 97%, and copper recoveries ranging from 90% – 96%, indicating the potential to develop a gold-copper flotation circuit to process sulphide mineralization. Potential to recover gold and copper in mixed and oxide material requires further testing.

More recently, MSA has developed two ramps that access the Bondadosa vein area. The due diligence review of the data disclosed that ramp A is approximately 90 metres in length and

channel samples over 150 metres in the tunnel returned an average of 1.6 metres width with 9.0 g/t AuEq (4.6 g/t Au, 2.5% Cu, 222 ppm Co and 125 ppm Mo). In ramp B, 70 metres below ramp A, channel samples over 100 metres returned an average of 1.5 metres width with 7.4 g/t AuEq (3.5 g/t Au, 2.4% Cu, 84 ppm Co and 39 ppm Mo). Additionally, Ramp A detected two new vein splays from the main structure. One of the splays returned 1.5 m @ 5.92 g/t Au and 2.39% Cu.

Qualified Persons

Brian McEwen, P.Geol., VP Exploration and Development to the Company and a Qualified Person as defined in National Instrument 43-101, 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, with more than 8 years of forecast production and upside potential at the Pirquitas -Chinchillas silver mining project. Golden Arrow is actively exploring a new portfolio of advanced projects in Chile, as well as other targets within its portfolio of 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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