Golden Arrow Resources Corporation Announces the Filing of Management Information Circular Seeking Shareholder Approval for the Sale of its 25% Ownership Interest in Puna Operations

written by Raj Shah | August 17, 2019



August 16, 2019 (Source) – **Golden Arrow Resources Corporation (TSX-V: GRG, FSE: G6A, OTCQB: GARWF), ("Golden Arrow" or the "Company")** is pleased to announce the filing of its notice of meeting and management information circular (the "**Circular**") and related proxy materials for the special shareholders' meeting (the "**Meeting**") to be held on September 16, 2019 in connection with the previously announced sale of its 25% interest in Puna Operations Inc. ("**Puna Operations**") to its joint venture partner SSR Mining Inc. ("**SSR Mining**") for aggregate consideration of $44.4 million (the "**Transaction**"). All dollar amounts are in Canadian Dollars unless otherwise noted.

The Circular and related materials, which provide detailed information regarding the Transaction are being disseminated to shareholders this week. Copies are also available electronically from Golden Arrow's website at www.goldenarrowresources.com and

on SEDAR under Golden Arrow's issuer profile at www.sedar.com, or on request from the Company or its proxy solicitation agent, Laurel Hill Advisory Group, for whom contact information is provided below.

Transaction Details

As consideration for the sale of its 25% interest in Puna Operations, Golden Arrow will receive: (i) cash consideration of $3 million payable immediately on closing of the Transaction; (ii) issuance on closing of such number of shares in the capital of SSR Mining equivalent to $25.9 million, to be calculated based on the 20-day VWAP of SSR Mining's common shares on the Toronto Stock Exchange ("**TSX**") ending on the last trading day prior to closing of the Transaction; (iii) cash consideration equal to the outstanding principal and accrued interest owing under the US$10 million non-revolving term loan made by SSR Mining to Golden Arrow pursuant to the credit agreement entered into in July 2018 with SSR Mining (such amount to be used at closing to repay outstanding indebtedness in full); (iv) the return by SSR Mining to Golden Arrow for no consideration of the 4,285,714 common shares in the capital of Golden Arrow held by SSR Mining. Such consideration is equal to approximately $44.4 million, calculated as of July 22 2019.

SSR Mining has also agreed to loan (the "**Contribution Loan**") to Golden Arrow the amount required to fund Golden Arrow's portion of any cash calls under the shareholders agreement for Puna Operations made as of May 31, 2017between SSR Mining and Golden Arrow, as amended by an amendment to the shareholders agreement made effective as of April 1, 2019 (as amended, the "**Shareholders Agreement**") for the period from July 22, 2019 to the earlier of (i) the closing date of the Transaction and (ii) the termination of the share purchase agreement for the Transaction dated July 22, 2019 between the Company and SSR

Mining (the "**Agreement**"). Upon closing of the Transaction, SSR Mining will provide Golden Arrow with an amount of cash sufficient for Golden Arrow to repay the Contribution Loans in full. However, if the Agreement is terminated prior to closing, such Contribution Loans shall be due and payable by Golden Arrow within twenty-five (25) calendar days of such termination. The Contribution Loans are secured by a pledge of Golden Arrow's shareholding interest in Puna Operations. The Agreement may be terminated for, among other things, (i) a material breach by Golden Arrow of its representations and covenants under the Agreement; or (ii) if the Transaction is not completed by October 15, 2019; or (iii) if Golden Arrow accepts a superior proposal.

The Transaction is subject to the approval of two-thirds of the votes cast in person or by proxy at the Meeting and Golden Arrow shareholders ("**Golden Arrow Shareholders**") shall be entitled to statutory dissent rights in respect of such vote. The Transaction also requires approval of Golden Arrow Shareholders under the policies of the TSX Venture Exchange ("**TSXV**"), as the Transaction represents the sale of more than 50% of Golden Arrow's assets. Each director and officer of Golden Arrow and their associates and affiliates have each entered into voting agreements with SSR Mining (the "**Voting Agreements**") pursuant to which they have agreed, among other things, to vote their respective shares in Golden Arrow in favour of the Transaction at the Meeting. Approximately 10.6% of Golden Arrow's common shares are subject to these Voting Agreements. In addition, SSR Mining has indicated that it will vote the Golden Arrow common shares it holds in favour of the Transaction, representing an additional 3.4% of the issued and outstanding Golden Arrow common shares. The Transaction is subject to a number of other customary conditions, including the approval of the TSXV.

The board of directors of Golden Arrow ("**Golden Arrow Board**")

has determined that the Transaction is fair to the shareholders of Golden Arrow and in the best interests of Golden Arrow. The Golden Arrow Board has received a fairness opinion from its financial advisor, PI Financial Corp., as to the fairness of the Transaction from a financial point of view to the shareholders of Golden Arrow, other than SSR Mining, which opinion was based on and subject to the assumptions made, matters considered and limitations and qualifications on the review undertaken. A copy of such fairness opinion is included with the Circular.

The Agreement provides for, among other things, a non-solicitation covenant on the part of Golden Arrow (subject to customary fiduciary out provisions). The Agreement also provides SSR Mining with a right to match any competing offer which constitutes a superior proposal. A termination payment of US$1.36 million will be payable to SSR Mining in certain circumstances.

PI Financial Corp. is acting as financial advisor to Golden Arrow. Blake, Cassels & Graydon LLP is acting as legal counsel to Golden Arrow.

The Meeting

At the Meeting, the Golden Arrow Shareholders will vote upon a special resolution (the "**Golden Arrow Shareholders Resolution**") approving the Transaction.

The Meeting is scheduled to be held on September 16, 2019 at 10:00 a.m. (Vancouver time), at the offices of Blake, Cassels & Graydon LLP, Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia. Golden Arrow Shareholders are invited to attend the Meeting. Golden Arrow Shareholders who are unable to attend the Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the form of proxy or voting

instruction form enclosed with their Circular, or, alternatively, to vote by telephone, or over the internet. Voting instructions are highlighted on the following page for your reference. If you have questions or require assistance with voting, you may contact our proxy solicitation agent, Laurel Hill Advisory Group, at the coordinates set out below.

Board Recommendation

The Golden Arrow Board, after consultation with its financial and legal advisors, has determined that the Transaction is in the best interests of Golden Arrow. **Accordingly, the Golden Arrow Board recommends that Golden Arrow Shareholders vote FOR the Golden Arrow Shareholders Resolution.**

All directors of Golden Arrow and the senior officers of Golden Arrow intend to vote all of their Golden Arrow Shares in favour of the Golden Arrow Shareholders Resolution, subject to the terms of the Voting Agreements.

YOUR VOTE IS IMPORTANT – PLEASE VOTE PROMPTLY

The Board of Directors of Golden Arrow UNANIMOUSLY recommends that Golden Arrow Shareholders vote IN FAVOUR of the Golden Arrow Shareholders Resolution

How to Vote

Shareholders are encouraged to vote promptly using the internet or by telephone or facsimile.

Registered Shareholders

Registered shareholders may attend the Meeting and vote in person or by proxy using any of the following methods:

- **Internet** – www.investorvote.com

- **Telephone** – 1-866-732-8683
- **Facsimile** – (416) 263-9524 or 1-866-249-7775
- **Mail** – Computershare Investor Services Inc. (Attn: Proxy Department) at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada, M5J 2Y1

Beneficial Shareholders

Shareholders who hold shares of Golden Arrow through a broker, bank or other intermediary will have different voting instructions and should carefully follow the voting instructions provided to them, including with respect to voting online at www.proxyvote.com.

Shareholder Questions and Voting Assistance

Laurel Hill Advisory Group
North American Toll-Free: 1-877-452-7148
Collect Call Outside North America: +1-416-304-0211
Email: assistance@laurelhill.com

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.

For more information, please view details related to the

Transaction at www.goldenarrowresources.com/special-transaction

ON BEHALF OF THE BOARD

“Joseph Grosso”

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Mr. Joseph Grosso,
Executive Chairman, President and CEO

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