



GOLDEN ARROW
RESOURCES CORPORATION



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NEWS RELEASE – April 10, 2017

Golden Arrow Chairman's Message to Shareholders on Recent Positive Developments

Vancouver, BC / Newswire / April 10, 2017 / Golden Arrow Resources Corporation (TSX-V: GRG, FSE: GAC, OTCQB: GARWF), "Golden Arrow" or the "Company") is pleased to provide the following update from the Chairman, President & CEO, Joseph Grosso.

The announcement on the 31st of March of the formation of the Joint Venture with Silver Standard Resources Inc. (TSX-SSO; NASDAQ-SSRI; "Silver Standard") was the culmination of a process of working together that began with the announcement of the initial exploratory work back in October 2015. Essentially the latest announcement signals the creation of a new entity which will pool together the currently operating mine and processing plant at Pirquitas, owned by Silver Standard, with the Chinchillas project of Golden Arrow.

I would like to thank our team in Argentina and Vancouver that carried the company through the mining slump after 2011 and who have, with perseverance, made possible this latest transaction that transforms Golden Arrow from a junior explorer with no mine, no production and no revenues to become the 25% owner of a new joint venture with one current mine, ore stockpile and processing infrastructure (at Pirquitas) and a prospective future mine at Chinchillas.

In the process, Golden Arrow has become the partner of one of the largest and most successful precious metals miners in the Americas.

The Original Deal

In the 18-month preliminary period since signing the original joint exploration and evaluation deal in October 2015, Silver Standard invested approximately US\$16M at Chinchillas. This went to advancing the project and evaluating the feasibility of developing a combined mining business with its existing Pirquitas operation. This included 24,000 metres of drilling as well as engineering studies and metallurgical test work. Silver Standard also made an option payment of CAD\$2M to Golden Arrow.

The Back Payment

On formation of the joint venture, Silver Standard will pay to Golden Arrow 25% of Pirquitas net profits since the original deal was signed. This is estimated to amount to around US\$15M.

The Pre-Feasibility Study

The confirmation of the joint venture with Silver Standard coincided with the announcement of the result of the pre-feasibility study. This study evaluated the development and construction of an open-pit mine and supporting infrastructure, which will supply ore to the Pirquitas processing facilities at 4,000 tonnes per day over an eight-year active mining period.

The path to near-term production at Chinchillas is expected to be relatively short with construction planned to begin in the third quarter of 2017, subject to permitting, followed by ore delivery to the Pirquitas mill in the second half of 2018.

The funds that will be received as “back money” from Pirquitas net profits since October 2015 will go substantially towards reducing the required commitment of GRG to the Chinchillas CapEx.

Residual Production Potential at Pirquitas

It should be noted that there are Indicated Mineral Resources of 45.0M ounces of silver at an average grade of 108.6 g/t, 13.2M ounces of silver at an average grade of 224.1 g/t at Pirquitas Underground and 9.2M ounces of silver in stockpiles at an average grade of 118.1 g/t as at December 31, 2016.

What This is Not

I would like to take this opportunity to clarify what this transaction is not:

- Golden Arrow is NOT selling Chinchillas to Silver Standard, the two companies are pooling their assets into a jointly-owned vehicle;
- Golden Arrow is NOT demerging its share of this JV to its shareholders;
- The joint venture does NOT include the other exploration properties that Golden Arrow has in Argentina.

What Each Side Brings to the NewCo

From the Silver Standard side:

- The Pirquitas mine, its ore stockpile, underground potential, tailings facility and processing plant
- An extensive supply of equipment and haulage trucks available to redeploy at Chinchillas
- Other production infrastructure and use of trained and experienced production team
- Putting Chinchillas into production alone would likely have cost GRG in the range of US\$300M-US\$350M in addition to the time saving of several years to build the infrastructure required for Chinchillas. In contrast, construction of the Chinchillas operation will begin in the third quarter of 2017 with a total capex of US\$81M.
- GRG will receive approximately US\$15M, as a 25% share of the Pirquitas earnings since October 1, 2015
- GRG will receive 25% of the profits from the substantial stockpile at Pirquitas with estimated values of US\$45M-\$60M, which will continue to be processed until Chinchillas can initiate trucking its ore to Pirquitas
- GRG will receive 25% of the value of Pirquitas’ mineralization at depth which could be produced once silver prices are higher.

From the Golden Arrow side:

- The Chinchillas Silver project
- Mineral Reserves of 11.7 million tonnes containing 58 million ounces of silver at a grade 154 g/t, 310 million pounds of lead at a grade of 1.20% and 127 million pounds of zinc at a grade of 0.49%.
- Measured and Indicated Mineral Resources (inclusive of Mineral Reserves) of 29.3 million tonnes containing 96 million ounces of silver at a grade 101 g/t, 581 million pounds of lead at a grade of 0.90% and 386 million pounds of zinc at a grade of 0.60%.
- These Reserves will extend the Pirquitas processing operation by a further 8 years
- The resources have upside potential to be converted to reserves with higher silver prices and/or additional drilling
- The indicated resource has potential for future additional expansion
- The inferred resource has potential for upgrade and additional expansion
- The substantial potential from the extensive lightly explored territory at Chinchillas that is not encompassed by the current resource

The Upside

The existing resource is thus far confined to only 40 hectares of a block of some 2,000 hectares in extension. Drill testing has only been undertaken for a mere 1,500 metres from the NI 43-101 compliant mineralized zones. Work will be undertaken with a view to proving up resources to enable the creation of satellite pits. That in turn would augur well for the extension of mine life significantly beyond the currently planned eight years.

Standstill Clause

It should be noted that Silver Standard currently holds around 5% of Golden Arrow and that there is a standstill agreement that precludes the larger company from making an unsolicited move on Golden Arrow.

Summary

The combination of the assets of Golden Arrow and Silver Standard is a classic “win-win” situation with the synergies accruing to both sides from substantially extending the life of Pirquitas and maximizing the value of its infrastructure by adding Chinchillas to the mix and shortcutting the timeframe to production while massively reducing the CapEx involved.

In one transaction Golden Arrow has leapfrogged into producer status overnight and secured itself a substantial part of the residual production value (and immediate share of the revenues) at Pirquitas and brought much closer the pipeline value of Chinchillas, which would otherwise have been a long and expensive slog to production.

In the normal way of things in the mining industry Golden Arrow might be looking at years of funding and developing effort to get to a stage where Chinchillas would be in production and throwing off cash flow. However with this combination with Pirquitas we have short-circuited the whole lengthy process and shall have an immediate share of Pirquitas revenues, much lower capex requirements and hopefully see the first production from Chinchillas in the second half of 2018. Who would have imagined that a few months ago?

Respectfully submitted,

“Joseph Grosso”

Mr. Joseph Grosso,
Executive Chairman, President and CEO

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Qualified Persons

Except as otherwise set out herein, the scientific and technical information contained in this news release relating has been reviewed and approved by Brian McEwen, P.Geol., a Qualified Person under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*. Mr. McEwen is Vice President of Exploration and Development to the Company.

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About Golden Arrow:

Golden Arrow Resources is a Vancouver-based exploration company focused on creating value by making precious and base metal discoveries and advancing them into exceptional deposits at its more than 200,000 hectares of properties in Argentina. The Company's pre-feasibility level Chinchillas Silver-Lead-Zinc Project is moving towards production via a joint venture with Silver Standard Resources Inc. Golden Arrow is now actively exploring the new Antofalla silver-gold-base metal project, an exciting new exploration opportunity with similarities to Chinchillas.

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