Zacks Small-Cap Research

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Golden Dawn Minerals (V.GOM – TSX-V)

Drilling results announced pointing to potential targets for bulk sample in 1Q 2017

Based on a calculation of fully diluted share value of attributable resources, which uses the most recent 43-101-compliant reports (and also subsequent financial reports), a target of CDN$0.47 per share is indicated.

Current Price (12/19/16)	$0.21
Valuation	**$0.47**

OUTLOOK

Golden Dawn Minerals is a junior mineral exploration company that is **on the verge of becoming an early stage gold-producing company**. The company recently acquired the **Greenwood Gold Project**, which is located in south-central British Columbia and which includes **two past producing mines** and the **Greenwood mill**. The company is expected to significantly expand its portfolio again by exercising its option to acquire 100% interest in the **Greenwood Area Properties** (aka Kettle River Resources Ltd). We anticipate that the mill will begin processing bulk samples from the May Mac mine starting in the first quarter of 2017, and later in 2017, begin accepting mill feed from the Lexington-Grenoble mine

SUMMARY DATA

52-Week High	**$0.43**
52-Week Low	**$0.07**
One-Year Return (%)	**115.0**
Beta	**-0.94**
Average Daily Volume (shrs.)	**683,185**
Shares Outstanding (million)	**96.18**
Market Capitalization ($mil.)	**$20.68**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**N/A**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using 2016 Estimate	**N/M**
P/E using 2017 Estimate	**N/M**

Risk Level	**Above Average**
Type of Stock	**Small - Value**
Industry	**Mining**

ZACKS ESTIMATES

Revenue
(in millions of $CDN)

	Q1 (Feb)	Q2 (May)	Q3 (Aug)	Q4 (Nov)	Year (Nov)
2014	0.0 A	0.0 A	0.0 A	0.0 A	0.0 A
2015	0.0 A	0.0 A	0.0 A	0.0 A	0.0 A
2016	0.0 A	0.0 A	0.0 A	0.0 E	0.0 E
2017					13.1 E

Earnings per Share
(EPS is operating earnings before non-recurring items)

	Q1 (Feb)	Q2 (May)	Q3 (Aug)	Q4 (Nov)	Year (Nov)
2014	-$0.01 A	-$0.01 A	-$0.00 A	-$0.20 A	-$0.22 A
2015	$0.02 A	-$0.04 A	-$0.01 A	-$0.03 A	-$0.06 A
2016	-$0.02 A	-$0.01 A	-$0.01 A	-$0.01 E	-$0.03 E
2017					-$0.02 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

Quarterly EPS may not equal annual EPS total due to rounding.

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KEY POINTS

- Golden Dawn Minerals has **assembled a portfolio of gold properties** that is comprised of a series of former mines, advance stage deposits with resources, mineral prospects and exploration targets (and a mill that was operational in 2008), all situated in the historic Greenwood Mining Camp of south-central British Columbia.
    - **Greenwood Gold Project** (100% interest)
        - Lexington mine, particularly Lexington-Grenoble gold-copper deposit
        - Golden Crown mine
        - Greenwood mill
    - **Boundary Falls Property** (100% interest)
        - May Mac Mine
        - Amigo claims
    - **Greenwood Area Properties** of Kettle River Resources Ltd (100% interest upon closing)
        - in October 2016, binding LOI signed for the acquisition of Kettle River Resources
            - includes several historic mines, deposits and exploration targets
            - Phoenix Property, including historic Phoenix mine & Sylvester K deposit
            - Tam O'Shanter, Phoenix Tailings, Bluebell and Eholt properties
        - closing is expected to be on or before January 31, 2017
- **Greenwood Gold Project**
    - **On September 6, 2016, Golden Dawn Minerals acquired the Greenwood Gold Project** from Huakan International Mining for 2,000,000 Units of Golden Dawn Minerals, 600,000 GOM shares and CAD$2,930,000 in cash. Also, Golden Dawn must expend $1.3 million in work commitments over the next 12 months. In addition, Golden Dawn posted CAD$450,000 reclamation bond with the Government of British Columbia.
    - **Greenwood mill**
        - built in 2008 by Merit Mining Corporation (nka Huakan International Mining)
        - processed a 54,237 tonnes of ore during 2008, including a 10,000-tonne bulk sample from the Lexington-Grenoble deposit
        - put under care and maintenance in December 2008
        - designed to achieve a capacity of 400 tonnes per day, though it is currently configured to operate at a daily rate of 200 tonnes
        - work commenced to reactivate the mill in September 2016
        - management anticipates that the mill will again be operational during 1Q 2017
    - **Lexington Property**
        - covers 124 contiguous mineral claims encompassing an area of 2,020 hectares
        - includes a fully permitted underground Lexington-Grenoble copper-gold mine
        - historically (1900-2008) produced 9,315 ounces gold, 108,083 ounces silver, 993,396 pounds copper and 14,061 pounds zinc
        - the **Measured and Indicated (M&I) Resources** are estimated to be **96,300 of gold equivalent** (AuEq) **ounces**
        - management plans for mining to commence at Lexington-Grenoble mine during mid-2017
    - **Golden Crown Property**
        - composed of 63 contiguous claims totaling 1,017 hectares
        - historically produced 12,915 ounces gold, 38,804 ounces silver, 274,510 pounds copper and 381 pounds lead
        - the **Indicated Resource** is estimated to be **62,500 of gold equivalent** (AuEq) **ounces**
        - management currently anticipates that the Golden Crown mine will be placed into operation during the second quarter of 2018
- **Boundary Falls Property**
    - **May Mac Mine**
        - acquired 100% interest in Boundary Falls Property, which hosts the May Mac mine, in 2013

- historically (1904-1983) 4,227 tonnes of ore have produced 767 ounces gold, 30,829 ounces silver, 109,045 pounds lead, 57,856 pounds zinc and 1,971 pounds copper[i]
- initiated a 17-hole 1,770-meter surface diamond drilling exploration program in October 2015, which was completed in early 2016
- in the fall of 2016, the No. 6 and 7 levels were rehabilitated and 3 diamond drill stations on the No. 7 level were excavated
- in December 2016, a 550-meter surface diamond drill hole program and a 805-meter underground diamond drill hole campaign were completed, along with a jackleg test-hole
- management plans to begin transporting bulk samples to the Greenwood mill in the first quarter of 2017

o **Amigo and Glory Hole Mines**

- surface diamond drilling program (16 holes totaling 904 meters) completed in Nov. 2016

➢ **Recap of Management's Anticipated Timeline**

- Year-end 2016 Complete rehabilitation of **Greenwood mill**
- 1st quarter 2017 Begin processing bulk sample from **May Mac mine**
- 1st quarter 2017 Close acquisition of **Greenwood Area Properties**
- 1st / 2nd quarter 2017 Secure permits for Lexington-Grenoble mine
- 2nd / 3rd quarter 2017 Commence trial mining at **Lexington-Grenoble mine**
- 2nd quarter 2018 Commence mining at **Golden Crown mine**

➢ Management continues to implement a **financing strategy** consisting of equity (including non-flow-through Units), Convertible Debt and a Metal Purchase Agreement that helped fund the purchase of the Greenwood Project and the capital expenditures required to resume mining at the Lexington and Golden Crown mines and processing the ore at the Greenwood mill. **The company has been very successful in obtaining capital through equity and debt offerings.**

➢ ***Golden Dawn is rapidly moving toward the initiation of gold and silver production*** from deposits in the Greenwood Mining Camp. We expect the Greenwood mill will be reactivated and initially begin processing a bulk sample from the May Mac mine in the first quarter of 2017.

RECENT NEWS

Drilling Program Update

On December 13, 2016, Golden Dawn Minerals announced initial results from surface and underground drilling campaigns targeting the Amigo, Glory Hole, May Mac and Sylvester K mines. In November, drilling was completed at the Amigo and Glory Hole mines (located roughly one kilometer south of the May Mac mine), after which diamond drilling at the May Mac mine commenced. The No. 6 and 7 levels at May Mac have been rehabilitated, and three diamond drill stations on the No. 7 level were excavated.

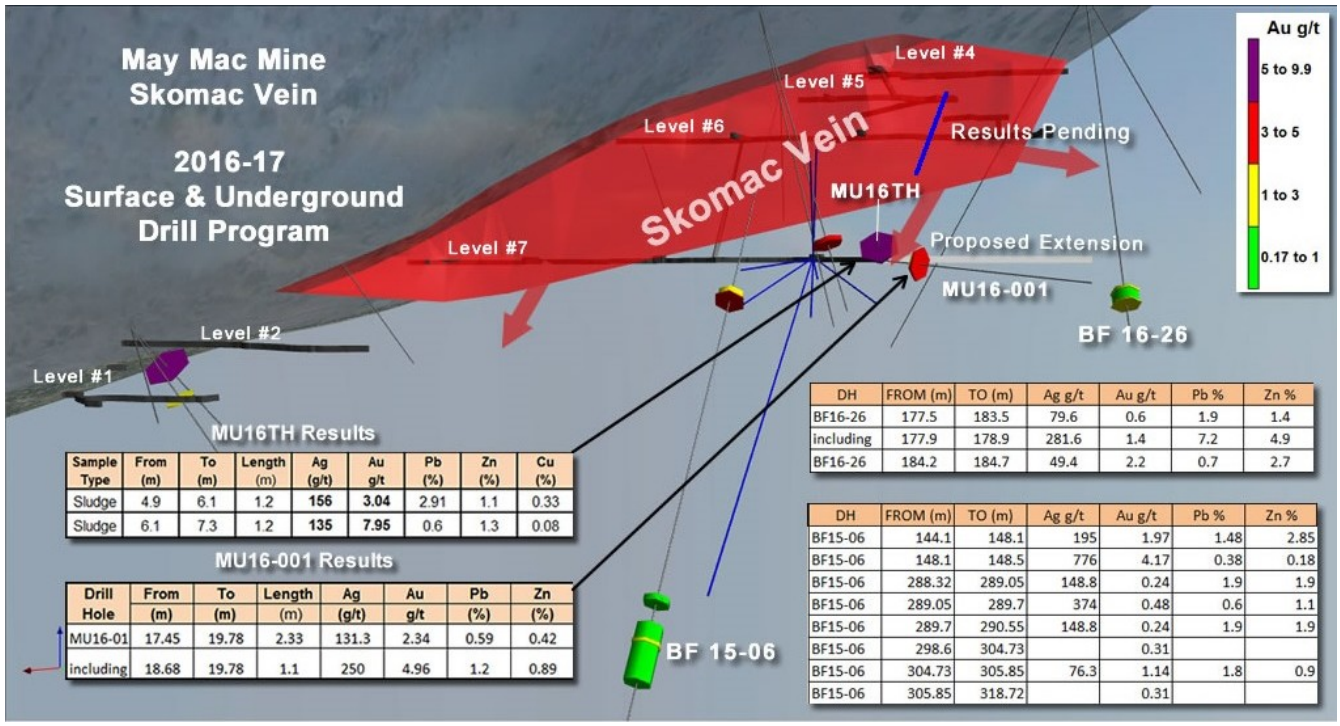
At the **Amigo and Glory Hole mines**, 16 surface diamond drill holes (totaling 904 meters) were completed in order to test for extensions of known veins. Though presence of gold and silver was confirmed, economic mineralized zones were not discovered

At the **May Mac** mine, **3 surface diamond drill holes** (totaling 550 meters) were completed, along with **9 underground diamond drill holes** (totaling 805 meters). In addition, **one jackleg test hole** was drilled from the end of the No. 7 drift.

At **May Mac**, one of the 3 **surface drill holes** (BF16-26) intersected **6.07 meters** of mineralization (located 13 meters below the No. 7 level and 100 meters northeast of the end of that level) grading **79.6 g/t Ag, 0.57 g/t Au, 1.9% Pb and 1.4% Zn**. Assay results from the other two drill holes were not significant.

The first hole (MU16-01) in the **underground campaign** was drilled horizontally from the end of the level No. 7 adit in order to locate the Skomac vein. At a distance between 17.45 and 19.78 meters**,** MU16-01

intercepted **2.33 meters** of mineralization grading **131.3 g/t Ag, 2.34 g/t Au**, 0.59% Pb and 0.42% Zn. This discovery could be the potential target for the planned bulk sample. The samples for the remaining 8 holes have been sent to the lab for analysis.



MU16TH Results

Sample Type	From (m)	To (m)	Length (m)	Ag (g/t)	Au g/t	Pb (%)	Zn (%)	Cu (%)
Sludge	4.9	6.1	1.2	156	3.04	2.91	1.1	0.33
Sludge	6.1	7.3	1.2	135	7.95	0.6	1.3	0.08

MU16-001 Results

Drill Hole	From (m)	To (m)	Length (m)	Ag (g/t)	Au g/t	Pb (%)	Zn (%)
MU16-01	17.45	19.78	2.33	131.3	2.34	0.59	0.42
including	18.68	19.78	1.1	250	4.96	1.2	0.89

DH	FROM (m)	TO (m)	Ag g/t	Au g/t	Pb %	Zn %
BF16-26	177.5	183.5	79.6	0.6	1.9	1.4
including	177.9	178.9	281.6	1.4	7.2	4.9
BF16-26	184.2	184.7	49.4	2.2	0.7	2.7

DH	FROM (m)	TO (m)	Ag g/t	Au g/t	Pb %	Zn %
BF15-06	144.1	148.1	195	1.97	1.48	2.85
BF15-06	148.1	148.5	776	4.17	0.38	0.18
BF15-06	288.32	289.05	148.8	0.24	1.9	1.9
BF15-06	289.05	289.7	374	0.48	0.6	1.1
BF15-06	289.7	290.55	148.8	0.24	1.9	1.9
BF15-06	298.6	304.73		0.31		
BF15-06	304.73	305.85	76.3	1.14	1.8	0.9
BF15-06	305.85	318.72		0.31		

Also, in the effort to locate the Skomac vein, a **jackleg test-hole** was drilled from the end of the level No. 7 adit. The test-hole encountered 2.4 meters of mineralization, according to samplings of sludge cuttings (see table below). Though the assay results are quite confirmatory of silver, gold, lead and zinc mineralization, sludge sampling provides only an approximate measure of grade estimation and location of the mineralization. Also this discovery could be the potential target for the planned bulk sample

Golden Dawn Minerals **May Mac Mine** **Sample Type**	**Date**	**From (meters)**	**To (meters)**	**Length (meters)**	**Ag (g/t)**	**Au (g/t)**	**Pb (%)**	**Zn (%)**	**Cu (%)**
No. 7 Adit									
Sludge	2016	4.9	6.1	1.2	156.0	3.04	2.91%	1.1%	0.33%
Sludge	2016	6.1	7.3	1.2	135.0	7.95	0.6%	1.3%	0.08%

As part of the **due diligence** on the **Kettle River Resources land package**, Golden Dawn collected 7 channel samples from the Sylvester K mine (see assay results in table below). The latter 6 samples were taken in a continuous line across the width of the massive sulphide zone. The channels averaged 2.53 meters in length with an average grade of 9.92 g/t Au. It appears that there is attractive feedstock for the Greenwood mill at surface.

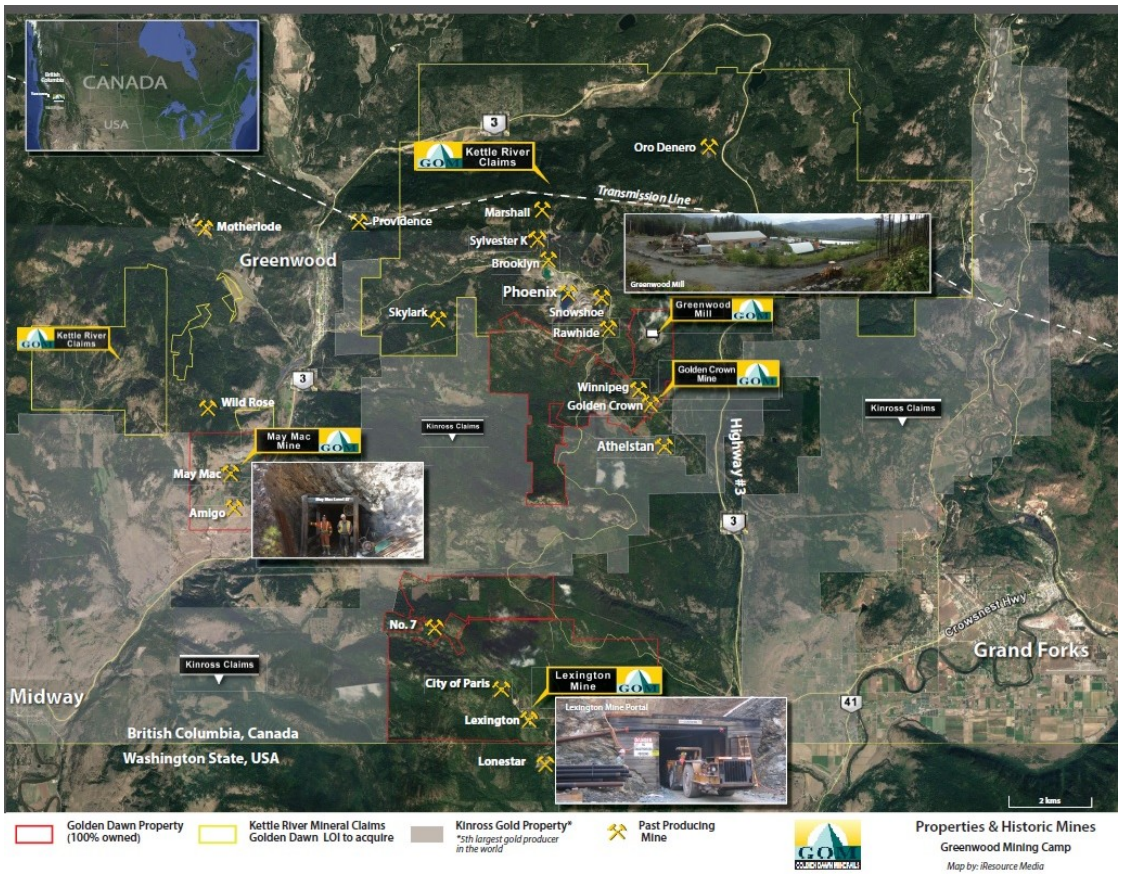
Table of surface channel sample results from Sylvester K

Description	Sample No.	Length (m)	Gold (g/t)
massive sulphide	A2013245	2.00	7.67
massive sulphide	A2013246	2.20	8.03
stockwork	A2013247	2.00	**28.2**
stockwork	A2013248	3.00	14.7
stockwork	A2013249	3.00	6.9
stockwork	A2013250	3.00	1.65
stockwork	J296551	2.00	3.47

The drilling program has been paused for the holidays and is expected to resume in mid-January, 2017. Management plans to drill additional 20-to-25 underground holes from the three drill stations excavated on the No. 7 level at the May Mac Mine. Also, in late November 2016, the company filed a **Notice of Work application** for a permit to **extend the No. 7 adit** and to **extract a 10,000-tonne bulk sample**.

Management still anticipates that the Greenwood mill become operational during the first quarter of 2017 and be able to process the first bulk samples from the May Mac mine. After dewatering, trial mining is expected to begin at the Lexington mine during the second or third quarter of 2017. In addition, management plans for the Golden Crown mine will become operational during the second quarter of 2018.

Pending Acquisition - Greenwood Area Properties



On October 17, 2016, Golden Dawn entered into a Letter of Intent (LOI) with New Nadina Explorations Limited (NNA.V) for the **acquisition** of **Kettle River Resources Ltd**, which holds 100% interest in 54 mineral claims and 75 crown grants encompassing approximately 10,400 hectares. Consideration for the acquisition consists of a $80,000 non-refundable deposit upon signing the LOI, $15,000 by November 26, 2016 and **CAD$1,000,000** (inclusive of deposits), along with **$600,000 worth of Golden Dawn stock** on closing, which is expected to be on or before January 31, 2017.

The acquisition holds several significant mines, deposits and exploration targets, namely the

- **Phoenix Property**
  - includes the **historic Phoenix mine** which has produced over 900,000 ounces gold, 5,800,000 ounces silver and 500 million pounds copper
  - Sylvester K deposit
- Phoenix Tailings Property, including the Tremblay tailings area
- Bluebell Property, which includes the **historic Oro Denoro and Emma mines** which together historically produced over 10,500 ounces gold, over 100,000 ounces silver and almost 9 million pounds copper

- **Eholt Property**, which has historically produced about 1,000 ounces gold, over 200,000 ounces silver and almost 9 million pounds copper
- **Tam O'Shanter Property**, which Golden Dawn previously explored

The acquisition **would considerably add to the company's mineral rights the Greenwood Mining Camp**.

Greenwood Gold Project

On September 7, 2016 Golden Dawn Minerals announced it had exercised its option and has **closed the acquisition of the Greenwood Gold Project** from Huakan International Mining. The total consideration was **2,000,000 Units** of Golden Dawn Minerals (1,000,000 Units issued in April and the other 1,000,000 issued at closing), **600,000 GOM shares** and **CAD$2,930,000** in cash. Also, Golden Dawn must expend $1.3 million in work commitments over the next 12 months. Lastly, Golden Dawn refunded **CAD$450,000** to Huakan for the reclamation bond with the Government of British Columbia.

RECENT FINANCINGS

Since signing a letter of intent (LOI) in February 2016 with Huakan International Mining for the option to acquire a 100% interest in the Greenwood Gold Project, Golden Dawn Minerals has successfully raised the capital necessary to close the acquisition. Year-to-date, Golden Dawn has received **$2,934,775** from the exercise of outstanding warrants and raised **$3,972,230** in private placements and US$2.4 million (approximately **CDN$3.12 million**) in long term debt financing. Management anticipates that the company will have sufficient funds also to acquire Kettle River Resources Ltd and extract a bulk sample at the May Mac Mine, to dewater the Lexington Mine and to refurbish the Greenwood Mill.

On November 10, 2016, Golden Dawn Minerals announced the closing of 600,000 Non-Flow-Through Units and 3,075,000 Flow-Through Units, which provided gross proceeds of **$1.176 million**. Both Units were priced at $0.32 per Unit and are comprised of one non-flow-through/flow-through common share and one 2-year share purchase warrant exercisable into its respective common share at price of $0.40 per share.

In September 2016, Golden Dawn closed two tranches of a non-brokered private placement of a total of 2,736,012 non-flow-through (NFT) Units. Gross proceeds were **$875,524**. Each Unit was priced at $0.32 and comes with a 2-year full warrant exercisable at $0.40 per share in the first year and $0.45 in the second year.

On August 29, 2016, Golden Dawn Minerals announced the execution a definitive agreement with The Lind Partners LLC for the issuance of a **US$2,400,000 3-year Senior Secured Convertible Debt Security**. The conversion price is CDN$0.31 per share. In addition, The Lind Partners will also receive **8,389,355 3-year warrants** exercisable at CDN$0.31.

Net proceeds were US$1,880,000 (approx. CDN$2,400,000) since US$400,000 of the face value is a pre-paid interest component (which is being applied toward the first four months of interest) and US$120,000 was paid in closing fees. After the first four months, Golden Dawn Minerals is required to repay US$100,000 monthly indicating a 50% annual rate.

The net proceeds are being directed toward the **CDN$3,350,000** (CDN$2,900,000 for exercising the option and CDN$450,000 for the remedial bond) **needed to acquire the Greenwood Project**.

In mid-July 2016, Golden Dawn closed two tranches of a non-brokered private placement of a total of 2,500,000 non-flow-through (NFT) Units. Gross proceeds were **$425,000**. Each Unit was priced at $0.17

per Unit and comes with a 2-year full warrant exercisable at $0.18 per share in the first year and $0.25 in the second year.

Update on Metal Purchase Agreement with RIVI Capital

On November 10, 2016, Golden Dawn Minerals provided an update on the previously announced Metal Purchase Agreement with RIVI Capital. Management is reviewing the final documentation for the streaming contract tied to production from the Lexington and Golden Crown Mines.

On September 28, 2016, Golden Dawn Minerals provided an update on the previously announced **Metal Purchase Agreement** with RIVI Capital. The companies are finalizing the details of the agreement.

On July 21, 2016, Golden Dawn Minerals announced the signing of a Letter of Intent for a **Metal Purchase Agreement** (MPA) with RIVI Capital, a private equity fund specializing in natural resource investments based in San Francisco. Golden Dawn will receive **US$3,000,000** from RIVI upon signing the Final Agreement and **US$1,000,000** four months after reaching production of 170 tonnes per day (85% of the 200 t/d benchmark level) from the ore mined only from the Lexington-Grenoble and Golden Crown deposits. Any production from the May Mac is excluded from the MPA. In return, RIVI shall receive metal stream consisting of 12% of the total combined gross production of gold from the Lexington and Golden Crown Mines at cost of US$400 per ounce for the life of the project. After the delivery of 15,000 ounces of gold (providing the 1-year average price of gold is above US$1,200), Golden Dawn has the option to reduce the metal stream to 6% of gross production and increase the cost to US$650. Golden Dawn will pay 10% interest per annum on the first US$3,000,000 until the 170 t/d production level is achieved. Golden Dawn Minerals intends to use funds to help purchase the Greenwood Project and finance the capital expenditures required to rehabilitate the mines and processing mill. The transaction was initially expected to close within 60 days from the execution of the LOI.

OVERVIEW

Based in Vancouver, British Columbia, Golden Dawn Minerals (GOM: TSX-V, GDMRF: OTC and 3G8A: Frankfurt) is a Canadian junior mineral exploration company that is **on the verge of becoming an early stage gold-producing company**. Golden Dawn owns 100% of the **May Mac** and **Amigo mines** and **just acquired** the **Greenwood Gold Project**, which consists of two advanced-stage, high-grade gold-copper deposits at the **Lexington-Grenoble** and **Golden Crown** mines, along with the **Greenwood mill**.

After years of systematically exploring opportunities in the historic Greenwood Mining Camp (namely the May Mac and Amigo mines, along with Tam O'Shanter and Wild Rose properties), Golden Dawn Minerals has seized the opportunity to acquire the Lexington-Grenoble and Golden Crown mines and is **fast-tracking the project towards production**. Since signing a Letter Of Intent (LOI) with Huakan International Mining in February 2016, **Golden Dawn secured funding** for both the **purchase of the Greenwood Gold Project** and **re-activating the Lexington-Grenoble mine and Greenwood mill**.

In addition, an updated 43-101-compliant Mineral Resource Estimate and Preliminary Economic Assessment (PEA) on the Greenwood Gold Project have been completed in 2016 and are filed on SEDAR.



2016 Timeline for Fast-tracking Lexington-Grenoble and Golden Crown claims

- February 25, 2016 — Signed LOI for option to acquire Greenwood Project
  - Lexington-Grenoble mine
  - Golden Crown mine
  - Greenwood mill
- Feb./March 2016 — Closed private placements of Units (proceeds **$571,206**)
- April 8, 2016 — **Updated** 43-101-compliant **Mineral Resource Estimate** filed
  - Lexington-Grenoble deposit (M&I 96,300 Au Eq. oz.)
  - Golden Crown deposit (Indicated 62,500 Au Eq. oz.)
- April 25, 2016 — Issued 1 million Units and paid $30,000 deposit to Huakan International
- June 1, 2016 — Amended Updated **Preliminary Economic Assessment** (PEA)
- July 20, 2016 — Closed private placement of non-flow-through units (proceeds **$425,000**)
- July 21, 2016 — Signed LOI for Metal Purchase Agreement (MPA) with RIVI Capital
  - Initial tranche of **US$3,000,000** to help fund
    - purchase of the Greenwood Project
    - capex for the resumption of mining and processing
- August 8, 2016 — In June, July and August, roughly 12,860,000 warrants were exercised
  - Provided proceeds of approximately **$1,482,000**
- August 29, 2016 — Definitive Agreement for **US$2,400,000** 3-year Convertible Debt Security
- September 7, 2016 — Closed acquisition of Greenwood Gold Project
- December 16, 2016 — Assay results point to multiple targets for the proposed bulk sample

The Greenwood Gold Project is located in the Greenwood Mining Camp, a strongly mineralized region ranking as the seventh largest mining camp in British Columbia. Situated in the Boundary District, the Property is considered highly prospective for gold due to the area's geologic history, historical production from five mines (Lexington, Lexington-Grenoble, City of Paris, Lincoln and No. 7) and the geologic similarity to the nearby Rossland Mining Camp and Republic District.

The pace of exploration has been relatively consistent since 1967 at the Lexington-Grenoble Property and at the Golden Crown property with a few minor lulls. The exploration programs, which included both surface and underground drilling, have given better insight to the scope and style of mineralization on the properties. During 2007 and 2008, the Greenwood mill was constructed and **in 2008** processed 54,237 tonnes of ore from the **Lexington-Grenoble deposit producing 5,486 ounces gold**, **3,247 ounces silver** and **860,259 pounds of copper**.[ii]

Management's primary focus is to **refurbish the Greenwood mill**, **mine a bulk sample from the May Mac mine** and **re-activate the Lexington-Grenoble mine**. The Greenwood mill is initially expected to process a bulk sample from the May Mac mine, which is located only 15 kilometers away from the mill. Eventually the Greenwood mill is anticipated to serve as a processor of ore mined in the Greenwood Mining Camp, specifically from the Lexington-Grenoble and Golden Crown mines, but also potentially from smaller mines in the area.

Management's Anticipated Timeline

- Year-end 2016 Complete rehabilitation of **Greenwood mill**
- 1st quarter 2017 Begin processing bulk sample from **May Mac mine**
- 1st quarter 2017 Close acquisition of **Greenwood Area Properties** (Kettle River Resources)
- 1st / 2nd quarter 2017 Secure permits for Lexington-Grenoble mine
- 2nd / 3rd quarter 2017 Commence trial mining at **Lexington-Grenoble mine**
- 2nd quarter 2018 Commence mining at **Golden Crown mine**

NI 43-101-compliant resource estimates were updated on April 8, 2016 (effective March 24, 2016) for the Lexington-Grenoble and Golden Crown deposits. With a 3.5 g/t cut-off grade, the **Measured & Indicated Resources** for the **Lexington-Grenoble deposit** consists of 372,000 tonnes with an average grade of 6.47 g/t Au and 1.05 Cu (8.05 g/t AuEq) representing **96,300 of gold equivalent** (AuEq) **ounces**. For the **Golden Crown deposit**, the **Indicated Resource** consists of 163,000 tonnes averaging 11.09 g/t Au, and 0.56% Cu represents **62,500 of AuEq ounces**.

Management anticipates that **six months of pre□production development** (dewatering and rehabilitation) **are required** in order to commence mine production from the Lexington-Grenoble deposit. A mine operating permit, which was granted by the Government of British Columbia on May 8, 2008, remains in effect today. However, the Impacts and Benefits Agreement with First Nations-Osoyoos Indian Band needs to be renewed. Concerning the Golden Crown Property, permits are required in order to proceed with mining, including a Notice of Work permit that allows for the rehabilitation of the access portal and underground drifts. Initially, management plans to apply for a 10,000 tonne bulk sample, which will be followed an application for a continuous mining permit. The reactivating the Greenwood mill calls for some refurbishment of the mill facility and crusher equipment, but importantly, a significant amount of mining equipment (13-ton mine trucks, scooptrams, etc.) was part of the acquisition and is on site.

Management has been very successful in obtaining capital through equity and debt offerings (see Recent Financings section).

Golden Dawn's Greenwood Gold Project should not be confused with the historical Grizzly Discoveries' Greenwood Property, which is also in the Greenwood Mining Camp and is now is controlled by Kinross.

LEXINGTON PROPERTY (including the GRENOBLE DEPOSIT)

The **Lexington Property** covers **124 contiguous mineral claims** (including 13 patented Crown Grants) encompassing an area of approximately **2,020 hectares** within the southwestern portion of the Greenwood Mining Camp. The Property includes a **fully permitted underground copper-gold mine which operated in 2008** producing 5,486 ounces gold, 3,247 ounces silver and 860,259 pounds copper from the Lexington-Grenoble Deposit. Small-scale, **historic production** (1900-1963) has also occurred from **five separate mines** (Lexington, Lexington-Grenoble, City of Paris, Lincoln and No. 7), which totaled 3,829 ounces gold, 104,836 ounces silver, 133,137 pounds copper, 216,044 pounds lead and 14,061 pounds zinc.

The Lexington Property **adjoins Lone Star Property**, which is located in the United States. Both the Lexington Property and the Lone Star Property are situated on the western border of the Republic graben and appear to share a **three-kilometer trend of copper-gold mineralization** hosted in a Jurassic-aged porphyry intrusion along a fault zone, which in the Lexington Property is known as the **No. 7 fault**. The Lone Star Property to the southeast has produced 3,785 ounces gold and 12,896 ounces silver and 1,297,274 pounds of copper between 1909 and 1978.[iii]

The Lexington Property encompasses an area that holds five former mines, advanced prospects and exploration targets. The various deposits are structurally related the northwesterly-trending **No. 7 Fault Zone** (aka **Goosmus Shear Zone**), and the gold-copper mineralization is controlled primarily by fractures and contact zones associated with serpentinite. **Management's primary focus** is to target the **Lexington-Grenoble gold-copper mine** for **further underground development** with the **goal of achieving full scale production**. The Grenoble deposit is the principal mineralized deposit on the property despite utilizing the name of the Lexington Crown Grant and/or the Lexington deposit/mine for naming the property.

Mines of the Lexington Property



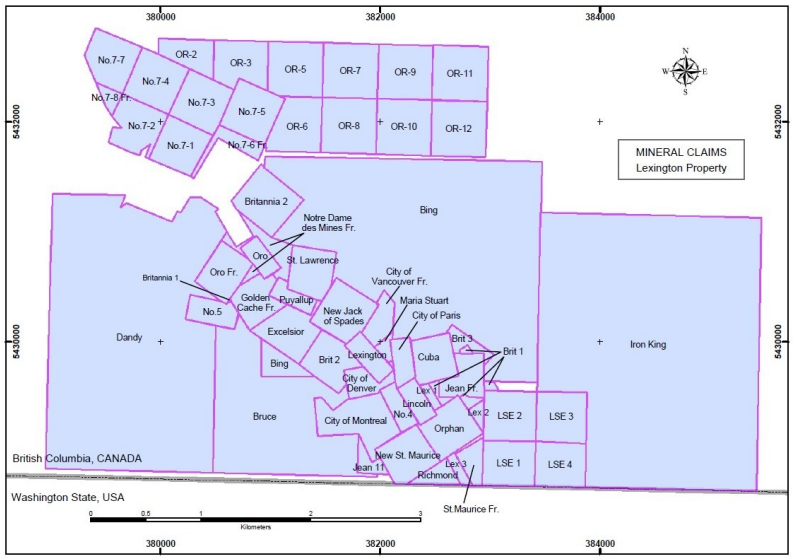
A **NI 43-101-compliant** Technical Report (effective March 24, 2016) estimates a **Measured resource** of 16,100 gold equivalent (AuEq) ounces (58,000 tonnes averaging 6.98 g/t Au, and 1.10% Cu at a cut-off of 3.5 g/t AuEq), an **Indicated resource** of 80,200 ounces AuEq (314,000 tonnes averaging 6.38 g/t Au, and 1.04% Cu) and an **Inferred resource** of 2,300 ounces AuEq.

After purchasing an option to acquire the Greenwood Gold Project (which includes the Lexington Property) in April 2016, **Golden Dawn** acquired a 100% interest in the Lexington Property from Huakan International Mining six months later in September. The Lexington-Grenoble deposit is expected to be the primary source of ore to be processed at the Greenwood mill.

Royalties

The Lexington Property is subject to a 3.0% NSR[iv] from Huakan International Mining; however, management's intent is to exercise its right to repurchase the NSR for $700,000 with the first payment of $250,000 anticipated to be paid by December 6, 2016, the second payment of $250,000 by April 6, 2017 and the final payment of $200,000 by August 6, 2017.

Crown Grant and Claims of the Lexington Property



Ownership

The Lexington Property, which now encompasses 124 property claims, including 13 patented crown grants, has a long history of ownership, which the timeline below summarizes. The more recent ownership follows the timeline table.

Summary Timeline of Lexington Property since 1984

- 1984 **Canadian Pawnee Oil Corp** acquired Lexington Property
  - 1989 Canadian Pawnee Oil Corp. renamed Britannia Gold Corp
- 1987 Etruscan Enterprises optioned the Lexington Property
- 1988 Candol Developments Ltd optioned the Lexington Property
- 1995 Bren-Mar (BML-V) pays $1.5 million for right to acquire 50% interest in Grenoble[v]
  - 1995 completed a 900-meter underground decline to Grenoble Zone[vi]
  - 1996 joint venture formed between Britannia Gold and Bren-Mar Resources
  - 1997 Bren-Mar fails to pay management fees owed under agreement
  - 1997 Britannia purchases Bren-Mar's interest for $50,000 & 50,000 shares
- 1999 Britannia Gold renamed Britannia Minerals (BM)
  - August 2001 Britannia Minerals Corp. renamed Nanotek Inc. (NTK)
  - October 2002 Nanotek renamed Minterra Resource Corp. (MTR)
- 2002 **Gold City Industries Ltd** acquired the Lexington Property for 1,750,000 shares
  - 13 Crown Grants and leases and 53 located & reverted mineral claims
  - Transaction also included the Lone Star Property in Washington State
  - In 2002, Gold City Industries also acquired Golden Crown Property

- Gold City dubs the Lexington Property and Golden Crown Property as the **Greenwood Gold Project**

- 2004 **Merit Mining Corp** acquired BC assets of the Greenwood Gold Project
- 2010 Merit Mining Corp. renamed Huakan International Mining Inc.
- 2011 **Gold Crown LLC** acquired Greenwood Gold Project for $7.425 million
- 2014 **Huakan International Mining** reacquired Greenwood Gold Project for $3 million
- 2016 **Golden Dawn Minerals** acquired Greenwood Gold Project

On August 26, 2002, Gold City Industries Ltd entered into an agreement with Nanotek Inc (the successor company to Canadian Pawnee Oil Corp which acquired the claims in 1981) to acquire 100% of the contiguous mineral claims that today comprise the **Lexington-Grenoble Property** (and also the Lone Star Property in Washington State) for 1,750,000 shares. That same year, Gold City Industries also acquired the Golden Crown Property in various transactions (see Golden Crown Property Section for details) and combined the Properties into the **Greenwood Gold Project**.

In late 2004, Gold City amalgamated with San Gold in order to focus on the former Bissett Gold Mine. Consequently, on December 22, 2004, **Merit Mining Corp** acquired the Greenwood Project from Gold City in consideration for 10,000,000 Merit Mining shares and the assumption of a 4,817-ounce gold loan from Ocean Resources Capital Holdings Plc. Just prior to the transaction, on December 19th, Merit Mining was known as Jantri Resources, and Merit subsequently was renamed Huakan International Mining Inc in 2010.

In February 2016, **Golden Dawn Minerals Inc** signed a letter of intent (LOI) with Huakan International Mining that granted the option to acquire a **100% interest in the Greenwood Gold Project**, which includes the Greenwood mill (including mining equipment and vehicles) that was constructed and operated during 2007 and 2008. The option was exercised in early September 2016 for consideration of **2,000,000 Units** of Golden Dawn Minerals (each Unit consisting of one GOM share and one two-year warrant exercisable at $0.20), **600,000 GOM shares** and **CAD$2,930,000** in cash. Also, Golden Dawn must expend $1.3 million in work commitments over the following 12 months. Lastly, Golden Dawn refunded **CAD$450,000** to Huakan for the reclamation bond held by the Government of British Columbia.

Historic Production

After working the placer gold camps of the Fraser and Cariboo, where gold had been discovered in 1857 and 1859, respectively, in the then Colony of British Columbia, prospectors later began exploring the interior of the Province. The Rossland gold-copper deposits and the deposit at Phoenix were discovered in 1890.

Concerning the claims within the Lexington Property, the **No. 7** claims (in the northwest end of the group) and the Lexington claims of **City of Paris** and **Lincoln** were **discovered in 1891**. Incidentally, at the time, the Lexington claims were located in **White's Camp**, Kettle River Division of the Yale District.

The following year, in 1892, serious work began on the City of Paris and Lincoln claims with shafts being sunk and underground drifting being done on two separate and distinct quartz veins. The primary focus was on the City of Paris claim, which became a Crown Grant to J. Stevens in 1895. Also during this time, there were minor underground workings (construction of an adit and 250 feet of drifting) on the **Lexington** claim.

PRODUCTION FROM LEXINGTON PROPERTY													
Claims		Gold (ozt)	Silver (ozt)	Copper (lbs)	Lead (lbs)	Zinc (lbs)	Claims		Gold (ozt)	Silver (ozt)	Copper (lbs)	Lead (lbs)	Zinc (lbs)
City of Paris	1900	824	1,473	133,137	0	0	No. 7	1900	0	0	0	0	0
Lincoln	1901	0	0	0	0	0		1901	131	6,391	0	0	0
No. 4	1902	0	0	0	0	0		1902	125	6,007	0	0	0
King Midas	1903	0	0	0	0	0		1903	0	0	0	0	0
Central Camp	**Sub-total**	**824**	**1,473**	**133,137**	**0**	**0**		**Sub-total**	**256**	**12,398**	**0**	**0**	**0**
White's Camp													
Lexington	1910	0	0	0	0	0		1910	306	15,090	0	30,256	0
	1911	0	0	0	0	0		1911	140	5,162	0	19,418	0
	1913	0	0	0	0	0		1913	803	26,832	0	39,333	0
	Sub-total	**0**	**0**	**0**	**0**	**0**		**Sub-total**	**1,249**	**47,083**	**0**	**89,007**	**0**
	1934	0	0	0	0	0		1934	34	1,298	0	0	0
	1935	0	0	0	0	0		1935	463	14,690	0	12,549	0
	1936	0	0	0	0	0		1936	192	5,822	0	19,185	0
	1937	12	870	0	159	194		1937	34	1,036	0	2,518	0
	1938	13	971	0	148	13		1938	288	1,028	0	29,725	0
	1939	5	827	0	988	79		1939	152	4,710	0	15,745	0
	1940	2	339	0	0	0		1940	185	9,036	0	33,625	5,919
	1941	0	0	0	0	0		1941	115	2,632	0	10,633	7,736
	1945	0	0	0	0	0		1945	3	253	0	941	73
	Sub-total	**32**	**3,007**	**0**	**1,294**	**287**		**Sub-total**	**1,466**	**40,504**	**0**	**124,920**	**13,728**
	1962	2	335	0	646	15		1962	0	0	0	0	0
	1963	0	36	0	176	31		1963	0	0	0	0	0
	Sub-total	**2**	**371**	**0**	**822**	**46**		**Sub-total**	**0**	**0**	**0**	**0**	**0**
	2008	5,486	3,247	860,259	0	0		2008	0	0	0	0	0
	Sub-total	**5,486**	**3,247**	**860,259**	**0**	**0**		**Sub-total**	**0**	**0**	**0**	**0**	**0**
TOTAL		**6,344**	**8,098**	**993,396**	**2,116**	**333**	**TOTAL**		**2,971**	**99,985**	**0**	**213,928**	**13,728**

Major underground development of the **City of Paris and Lincoln claims** occurred in 1899 by the City of Paris Gold Mining Company Ltd. **In 1900**, 1,639 tonnes of ore was extracted and delivered to the Granby smelter at Grand Forks, producing **824 ounces gold, 1,473 ounces silver** and **133,137 pounds copper**. After this one year of production, total mine development consisted of 113 meters of shafts, 1,580 meters of drifting & crosscut tunnels and 213 meters of raises. The mines in the vicinity of the in the City of Paris claim went dormant, save for some prospecting in 1922, and the mine did not report any further production until 1937.

Underground work began on the **No. 7** quartz vein deposit in 1901 culminating in 1,045 tonnes being shipped **during 1901 and 1902** containing **256 ounces gold** and **12,398 ounces silver**. Further ore was not produced until after the Consolidated Mining and Smelting Company acquired the No. 7 mine and adjoining claims in 1909. An aerial tramway was constructed to the smelter at Boundary Falls in 1910. **Between 1910 and 1913**, the tram transported 5,717 tonnes of ore, which produced **1,249 ounces gold** and **47,083 ounces silver**. Thereafter, the No. 7 mine also went dormant until 1934.

Between 1931 and 1934, the average price of gold rose 103% from $17.06 to $34.69. The interest in gold increased for a variety of reasons: bank failures related to the Great Depression, the Great Stock Market Crash, economic uncertainty, the United States Gold Reserve Act, etc. The higher price of gold stimulated mining activity. **Between 1934 and 1941**, the **No. 7 mine** produced **1,463 ounces gold**, **40,251 ounces silver**, **123,979 pounds lead** and **13,655 pounds zinc**. Activity also renewed in the vicinity of the City of Paris claim from where **32 ounces gold** and **3,007 ounces silver** were produced between 1937 and 1940.

In 1962, King Midas Mines Ltd optioned 13 Crown Grant mineral claims, including Lexington. Very minor production of **2 ounces gold**, **371 ounces silver**, 822 pounds lead and 46 pounds zinc were recorded in **1962 through 1963**.

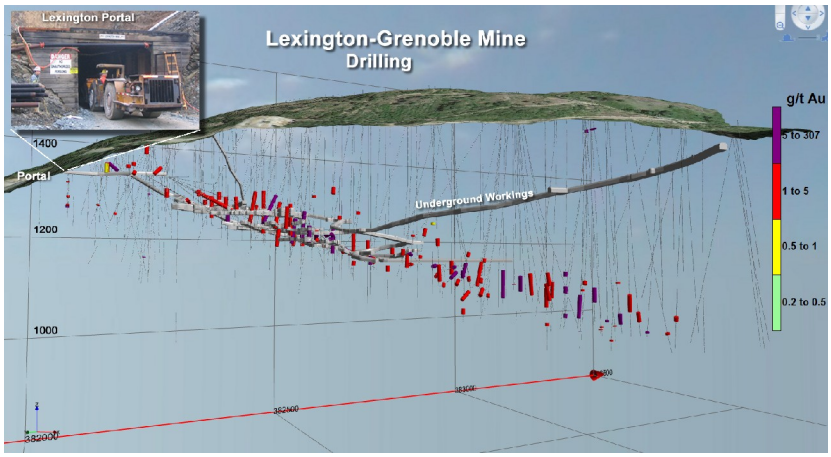
The **discovery of the Grenoble/Main Zone in 1969** during a drilling program being conducted by Lexington Mines Ltd was not monetized until 2007 by Merit Mining (nka Huakan International Mining). Merit Mining acquired the Lexington Property as part of the Greenwood Project in 2004 when the price of gold averaged $410. Two phases of drilling (19 diamond drill holes totaling 3,189 meters in 2005 and 19 diamond drill holes totaling 3,282 meters in 2007) were completed on the Grenoble Zone. The 2005 campaign tested the southeast projection of the deposit, expanding the strike length to 520 meters. The 2007 program sought to expend the resource by testing the up-dip and down-dip fringes. During the first half of 2007, gold was hovering in the $650 range. Merit Mining received an initial bulk sample permit for the Lexington-Grenoble deposit and commenced dewatering and rehabilitation of the mine decline in early July 2007. Mining operations began in December 2007 with thicker ore lenses being mined with mechanized equipment using the drift and fill method while thinner lenses being selectively mined with hand-held jackleg drills. In March 2008, the price of gold had rallied to over $1,000 and was hovering around $900 in April when the construction of the Greenwood mill and tailings facility was completed. For eight months (**April – December 2008**), 54,237 tonnes of ore from the Grenoble deposit was processed at the mill producing **5,486 ounces gold**, **3,247 ounces silver** and **860,259 pounds copper**. In November, the price of gold had dropped below $750. That coupled with lower than expected mill recoveries of gold and lower grade than targeted mill feed, the management of Merit Mining decided to put the mine and mill on care and maintenance.

Exploration

The Lexington Property has a long history of exploration and development. However, since 1967, the pace of exploration has been relatively consistent with a few, brief lulls.

Drilling campaigns on the Lexington Property have been completed by

- **Silver Standard** (22 percussion holes totaling 1,683 meters in 1967 and 1970 on Richmond)
- **Silver Standard** (2 diamond holes totaling 289 meters in 1968 on Richmond claims)
- **Lexington Mines Ltd** (33 diamond drill holes totaling 5,564 meters in 1969 and 1970)
- **Granby Mining Co. Ltd** (37 percussion holes totaling 2,018 meters in 1972)
- **Aalenian Resources Ltd** (4 diamond & 13 percussion holes totaling 1,310 meters in 1974)
- **Granby Mining Co. Ltd** (12 percussion holes totaling 863 meters in 1980)
- **Grenoble Energy Ltd** (20 underground diamond drill holes totaling 1,056 meters in 1980)
- **Teck Corp** (34 diamond drill holes totaling 7,393 meters from 1982 to 1983)
- **Canadian Pawnee Oil** (16 diamond drill holes totaling 1,680 meters in 1986 and 1987)
- **Candol Developments Ltd** (17 diamond drill holes totaling 2,783 meters in 1988)
- **Britannia Gold Corp** (19 diamond drill holes totaling 2,090 meters in 1992 and 1993)[vii]
- **Britannia Gold Corp** (30 underground diamond drill holes totaling 1,396 meters in 1996/7)[viii]
- **Gold City Industries** (46 diamond drill holes totaling 8,294 meters in 2003 and 2004)[ix]
- **Merit Mining** (38 diamond drill holes totaling 6,471 meters in 2005 and 2007)
- **Merit Mining** (285 underground holes totaling 2,709 meters in 2008).[x]

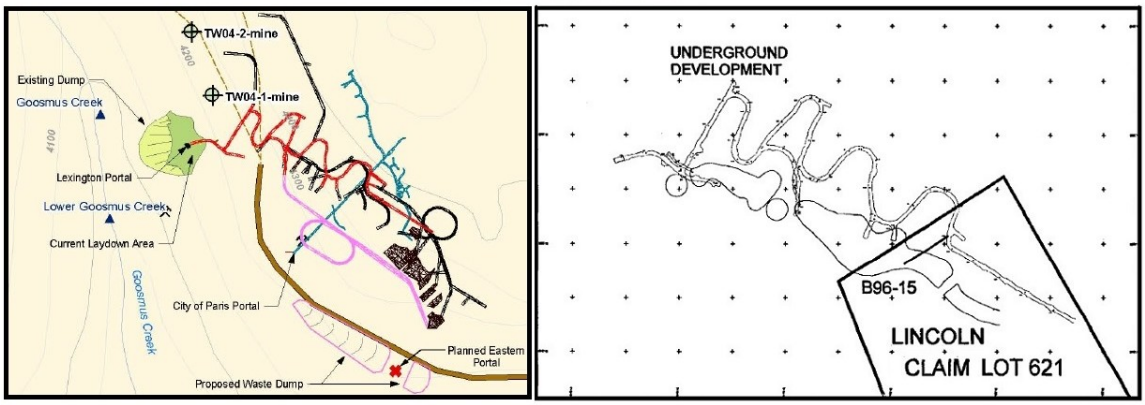


Several **significant milestones**, especially those related to the Lexington-Grenoble deposit, are listed below.

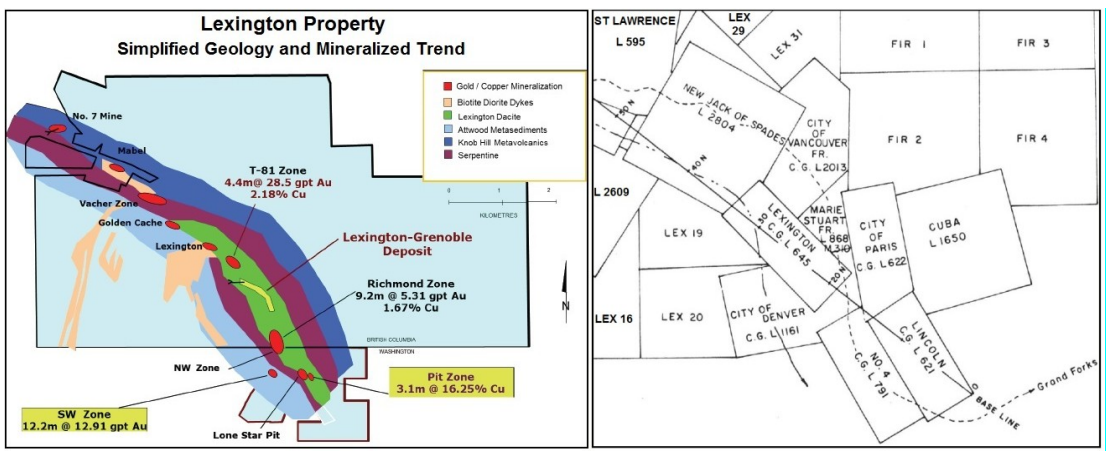
The aggressive campaigns from 1968 through 1970 conducted by **Lexington Mines Ltd** included geological, geochemical and geophysical surveys, bulldozer trenching as well as diamond drilling. However, it was the diamond drilling program that commenced on April 3, 1969 and continued until July 27, 1970 that resulted in the **discovery of the Grenoble deposit in 1969**. The last half of the program helped outline the **Main Zone**, which was determined to be a southeasterly gently-dipping, pipe-like zone of mineralization 400 meters long, 50 meters wide with an average thickness of 20 meters.[xi] The Grenoble deposit lies within the Crown Grants of Lexington, City of Denver, City of Paris and Lincoln.

After subsequent surface drilling on the Grenoble deposit by Aalenian Resources in 1975, **Grenoble Energy** further explored the deposit by driving a **new 115-meter horizontal test adit**, from which 20 underground holes were drilled into the Main Zone **in 1980**.[xii] In 1996, **Britannia Gold** (nka Minterra Resource Corp) with its joint venture partner, **Bren-Mar Resources Ltd**, completed a **770-meter exploration decline**[xiii] to better assess the Main Zone and later, between April 1996 and February 1997, completed 30 underground diamond drill holes totaling 1,396 meters. A permit to conduct a 2,000-tonne bulk sample on the Grenoble deposit was granted on April 3, 1997; however, due to disputes between the managements of Britannia Gold and Bren-Mar Resource, the bulk sample project did not progress. However, a subsequent owner, **Merit Mining**, operated an underground copper-gold mine, which **produced 5,486 ounces gold**, **3,247 ounces silver** and **860,259 pounds copper** from the Lexington-Grenoble Deposit during 2007 and 2008.

Grenoble/Main Zone



It should be noted that though most of the exploration efforts (the drilling programs listed above as well as trenching and geochemical and geophysical surveys) on the Lexington Property was directed toward the Lexington-Grenoble deposit, especially the Main Zone. Also, several other deposits in the vicinity of the Lexington claim (including the Vacher zone, the Golden Cache zone, the Midway zone and the Richmond claim) were targeted.



The Lexington-Grenoble Deposit

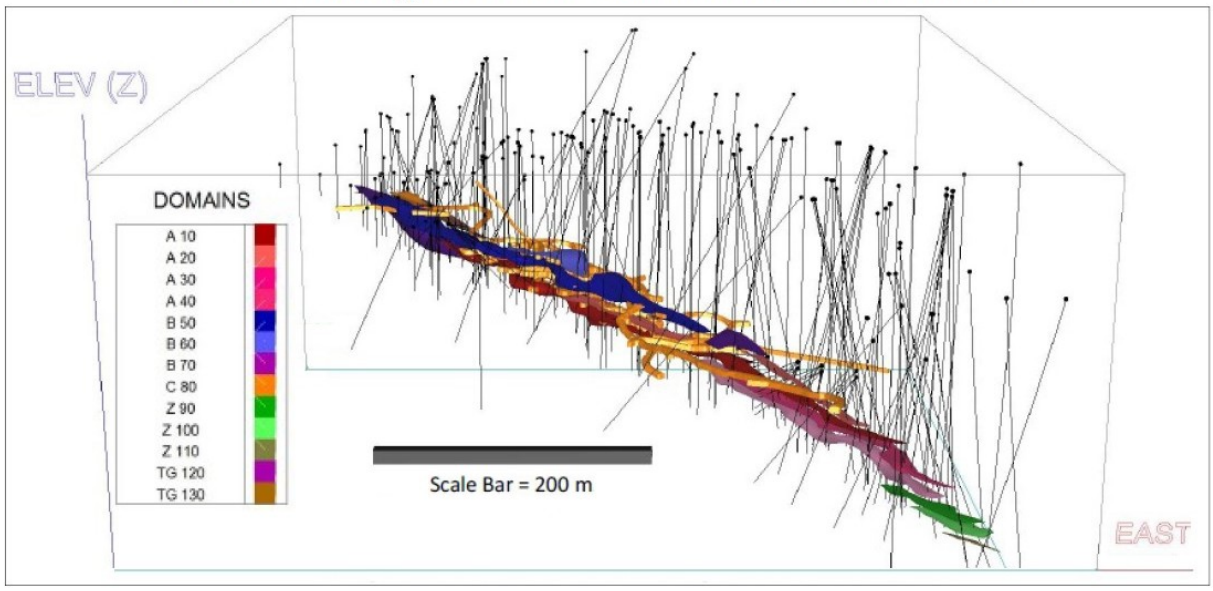
The copper-gold mineralization associated with the porphyry intrusion on the Lexington, City of Paris and Lincoln Crown Grants (aka the **Grenoble deposit**) consists of 13 shallow-to-moderately dipping (between 20° and 35°), sub-horizontal sulfide lenses. Semantically, the lenses are interchangeably termed blocks, domains and/or zones in the Technical Reports. Each zone is composed of veins, veinlets and disseminations and 90% of the mineralization is hosted in the dacitic unit adjacent the contact zone with the Lower Serpentinite unit. It is interpreted that two separate magmatic-hydrothermal geological events contributed to the mineralization associated with the dacite-lower serpentinite sequence:

1) porphyry copper-gold fluids invaded this structural setting from below, concentrating gold-copper mineralization at the structural traps formed at the base of the dacite units
2) a second phase of epithermal sulphide-gold deposition occurred later, depositing additional mineralization in the structurally-controlled areas along the dacite-serpentinite contact zones

To-date, the discovered gold veins emplaced in serpentinite bodies have been small, but are often high grade.

Based on 54 surface and 48 underground diamond drill holes[xiv], in 2004, Gold City interpreted the series of eight lenses to be *en echelon* overlapping zones hosted within the dacite unit and named the individual grade lenses as A-, A', A, A+, B-, B, B+ and C with A- beginning at the contact point of the dacite and Lower Serpentinite unit with A', A, A+, B-, B, B+ and C proceeding upwards into the dacite unit. The zones range from 1-to-24 meters in thickness (though most are between 1 and 6 meters and appear to average 2.5 meters). The A and B tranches have higher grade mineralization since the thickness and density of the veins decreases gradually into veinlets and disseminations as the mineralization progresses into the dacite unit. In 2005, three other zones were added (Z-1, Z-2 and Z-3), along with the TG-81 zone (150 meters to the north of the Grenoble deposit), which extended deposit's strike length from 375 to 525 meters. Also in 2004, the first phase of drilling program extended the plunge length of the Grenoble deposit by 30%.[xv]

3D View of Lexington-Grenoble Resource Domains and Drill holes



Today, utilizing subsequent drilling results, the **Main Zone's defined strike length is 525 meters** with a width of 20-to-75 meters and 2-to-25 meters thick. The previously identified 12 domains of mineralization have been re-interpreted into a total of **13 domains** (A 10, A 20, A 30, A 40, B 50, B 60, B 70, C 80, Z 90, Z100, Z 110, TG 120 and TG 130). The series of domains trace a form (said to be in the shape of a 'flattened cigar'). The deposit area remains **open up and down dip**, especially the southern projection where drilling has been limited and inconclusive [xvi]

The model for the Grenoble deposit has transformed over the last 20 years, reflecting the complexities and irregularities discovered by the multiple drilling programs. Several other insights are worth mentioning:

1) Higher grade pockets of mineralization appear to be related folds or faults in the top surface of the Lower Serpentinite unit.
2) It is not unusual for intrusive dykes to disrupt the continuity of the deposit.
3) Quartz-pyrite veins with base metal sulfides along with gold and silver are a third style of mineralization on the Lexington Property. Early exploration and production targeted this type of deposit, namely at the City of Paris, Lincoln and No. 7 mines. However, these targets were and are small.

Resource Estimations

The most recent NI 43-101-compliant estimate for the Lexington-Grenoble deposit is effective as of March 24, 2016. Prepared by P&E Mining Consultants, the update utilized the results from the drilling programs conducted **in 2007 and 2008** by Merit Mining, which consisted of **19 surface diamond drill holes** (totaling 3,282 meters), which tested the up-dip and down-dip fringes of the deposit, and **285 underground short Bazooka drill holes** (totaling 2,709 meters) to aid in stope definition. The resource estimate incorporated drilling records from 236 surface drill holes, 359 underground drill holes, 50 drill hole with ambiguous collar elevations and 20 duplicate underground drill holes. The estimated resource (3.5 g/t cut-off grade) consists of:

Measured Resource of 58,000 tonnes averaging 6.98 g/t Au and 1.1% Cu (8.63 g/t AuEq)
Indicated Resource of 314,000 tonnes averaging 6.38 g/t Au, and 1.04% Cu (7.94 g/t AuEq)
Inferred Resource of 12,000 tonnes grading 4.42 g/t Au and 1.03% copper (5.96 g/t AuEq)

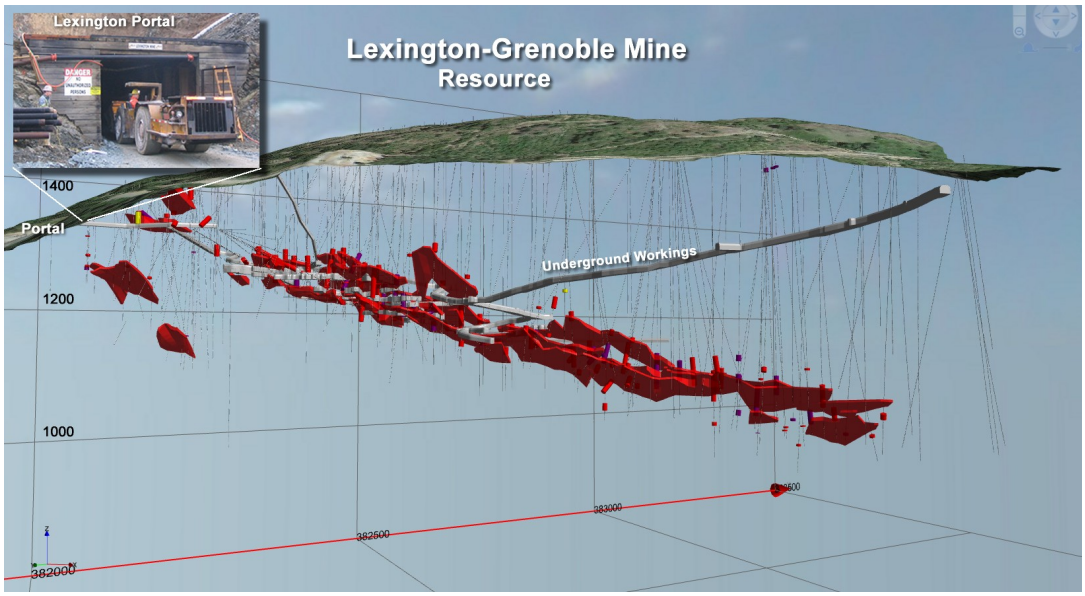
The Measured and Indicated (M&I) Resources represent **96,300 of gold equivalent** (AuEq) **ounces**, though it should be noted that the cut-off grade has been reduced since the price of gold today has doubled since 2006 (over $1,300 versus an average of $603 in 2006).

To better gain a perspective of the incremental information garnered from the drilling campaigns between 2003 and 2008 and the subsequent re-interpretations of the deposit, the following table of the resource estimated is provided below.

Golden Dawn Minerals		Measured	Au	Cu	AuEq	Indicated		Cu	AuEq	Inferred		Cu	AuEq	Cut-off
	Date	tonnes	g/t	%	g/t	tonnes	g/t	%	g/t	tonnes	g/t	%	g/t	g/t
Grenoble Deposit														
Historical Figure	1995	0				0				94,923	9.24	1.49	-	-
Gold City Industries	6/21/2004	0				152,600	10.3	1.6	13.8	58,300	10.2	1.7	13.8	6.0
Merit Mining Corp	5/13/2005	0				329,400	8.3	1.3	11.3	106,100	6.6	1.00	8.9	6.0
Merit Mining Corp	9/14/2006	6,000	11.55	1.87	16.84	291,000	8.29	1.34	12.08	45,000	6.58	1.03	9.5	6.0
Huakan International	3/24/2016	58,000	6.98	1.10	8.63	314,000	6.38	1.04	7.94	12,000	4.42	1.03	5.96	3.50

Expected Development

Currently, the Lexington-Grenoble underground mine consists of two portals (Eastern Portal and Lexington Portal) and declines with interconnected workings on four levels (1210, 1187, 1175 and 1166), which were driven from the declines to access the stope development areas by first crosscutting and then drifting along the mineralized zones. The Eastern Portal accesses a 500-meter decline that connects to the 1210 level as well as to the bottom of the decline completed by Britannia Gold in 1997. The mine requires dewatering and rehabilitation, which management anticipates will require six months.



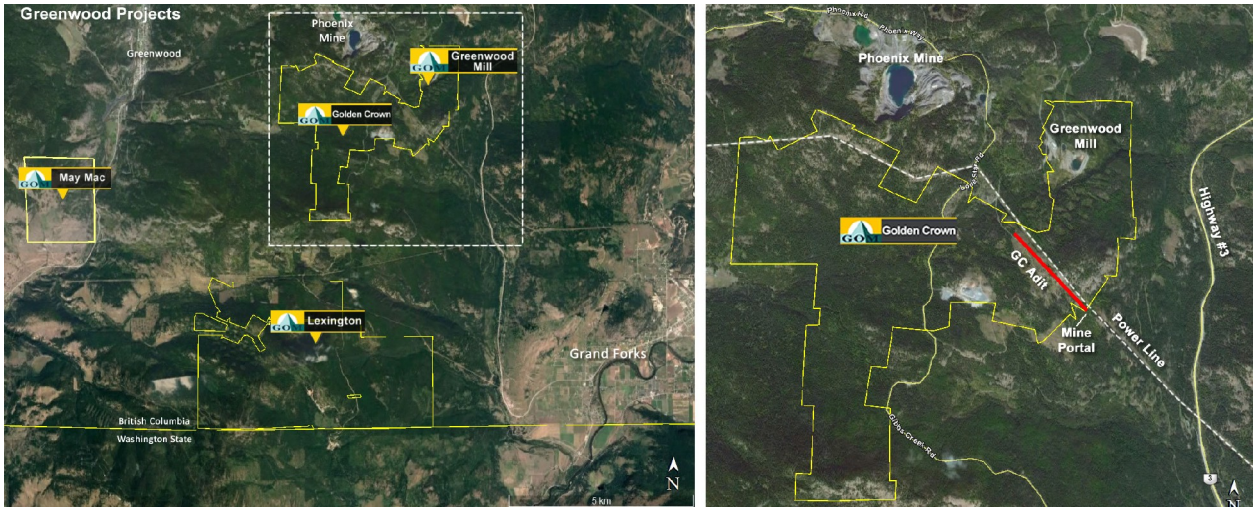
In 2008, drift & slash was used to selectively remove desired ore from the narrow flat-lying nature veins. Though drift & slash is labor intensive, the expected grade of the ore was anticipated to support the higher costs. However, the flat-lying veins were not as continuous as expected, which increased the cost of mining. Exacerbating the issue, the stacked nature of the veins made it difficult to maintain waste pillars between the individual veins. In addition, mill recoveries were lower than projected due to the lower feed grades resulting from, in part, the mining of stringer lode (small veinlets of good grade taking off into the hanging wall or footwall) that required the mining a great deal of waste rock. A post-production study in 2009 recommended that a large portion of the remaining resource (the thicker areas of stacked veins**)** be mined with the lower cost method of long-hole bulk mining, with the remainder be more selectively mined by the drift & slash method.

The **Lexington-Grenoble Project is being fast tracked to production**. A mine operating permit, which was granted by the Government of British Columbia on May 8, 2008, remains in effect today. In addition, an Impacts and Benefits Agreement with First Nations-Osoyoos Indian Band was signed on May 8, 2008, but this Agreement needs to be renewed. An Endowment Fund was created by the initial Agreement.

GOLDEN CROWN PROPERTY

The Golden Crown Property is composed of **63 contiguous claims** (ranging in size from 1 to 450 hectares each and totaling **1,017 hectares**) that are located within the Greenwood Mining Camp. The Property is composed of four contiguous sets of claims: Winnipeg-Golden Crown patented crown grants, Century Gold claims, the Zip group of claims and the JD claims. **The Golden Crown-Winnipeg claims have produced 12,915 ounces of gold, 38,804 ounces of silver**, 124.5 tonnes of copper and 0.17 tonnes of lead[xvii] and are centered 3.2 kilometers southeast of the Phoenix open pit mine[xviii], which has produced 1.01 million ounces Au. The Rossland Mining Camp, which has produced 2.44 million ounces Au, is 50 kilometers to the east.

The Golden Crown Property, as it is known today, is an amalgamation of four acquisitions consummated by Gold City Industries Ltd. during 2002. The Golden Crown and Winnipeg Crown Grants are the more significant claims with high-grade copper-gold deposits on which a NI 43-101-compliant Technical Report estimates an **Indicated resource** of 62,500 of gold equivalent (AuEq) ounces (163,000 tonnes averaging 11.09 g/t Au, and 0.56% Cu at a cut-off of 3.5 g/t) and an **Inferred resource** of 13,100 ounces AuEq.



In September 2016, **Golden Dawn** acquired 100% interest in the Golden Crown Property (along with the Greenwood mill that is situated among the Zip claims) from Huakan International Mining, formerly known as Merit Mining. Golden Dawn's management believes that the Golden Crown deposit potentially could be an important source of ore to be processed at the Greenwood mill.

Ownership

As a result of the discovery of a number of small copper-gold bearing veins, the Golden Crown and Winnipeg claims were **staked in 1894**. The Golden Crown Property, and especially the Golden Crown and Winnipeg patented crown grants, has a long history of ownership, exploration, development and production, which the timeline below summarizes. The more recent ownership follows the timeline table.

Summary Timeline of Golden Crown and Winnipeg claims since 1979

- 1979 **Boundary Exploration** (aka Consolidated Boundary Exploration) acquired claims
  - 1980 Mundee Mines optioned claims & drilled 16 holes
  - 1983 Grand Forks Mines Ltd. optioned 50% interest in the claims
- 1983-1989 **Grand Forks Mines Ltd.** conducted multiple drilling campaigns
  - discovered at least 10 additional mineralized zones
  - earned 50% interest in Golden Crown and Winnipeg claims
- 1989 Grand Forks Mines Ltd. renamed **Attwood Gold Corporation**
  - Conducted a 5-hole underground drilling program
  - earned remaining 50% interest in the claims
  - historic independent resource estimate completed
- 1990 Attwood Gold Corporation completed 34 surface drill holes
  - historic independent resource estimate completed
  - project went dormant with management change at Attwood Gold
- 1997 **Century Gold** entered into agreement to acquire Golden Crown/Winnipeg claims
  - 2001 - Century Gold renamed **Novra Technologies Inc**.
- 2000 Attwood Gold renamed **Dynasty Motor Car Corporation** in reverse takeover
- 2002 Novra Technologies did not fulfill its obligations resulting in the Golden Crown and Winnipeg claims being returned to Dynasty Motor Car Corporation
- 2002 **Gold City Industries Ltd.** acquired four contiguous properties
  - Golden Crown and Winnipeg claims from Dynasty Motor Car Corporation
  - Zip claims (11 units) from John Kemp
  - JD claims (37 units) from John Kemp *et al*
  - Century Gold Property (11 units) from Novra Technologies Inc.
  - 61 claims become known as **Golden Crown Property**

- In 2002, Gold City Industries also acquired Lexington Property
- Gold City dubs the Lexington Property and Golden Crown Property as the **Greenwood Gold Project**

- 2004 **Merit Mining Corp.** acquired British Columbia assets Gold City Industries
- 2010 Merit Mining Corp. renamed **Huakan International Mining Inc.**
- 2011 Gold Crown LLC acquired Greenwood Gold Project for $7.425 million
- 2014 **Huakan International Mining** reacquired Greenwood Gold Project for $3 million
- 2016 **Golden Dawn** acquired Greenwood Gold Project

In 2002, **Gold City Industries Ltd**. acquired 100% interest in four contiguous properties. The **Winnipeg-Golden Crown patented crown grants** were purchased from Dynasty Motorcar Corporation for 1,000,000 common shares and cash payments totaling $150,000 while the **Century Gold property** was acquired from Century Gold for 400,000 common shares and cash payments totaling $75,000. The **Zip group** of claims and the **JD claims** were purchased from John Kemp *et al* in separate transactions for a total of $98,000, 325,000 common shares and a commitment to conduct $250,000 in exploration expenditures on the JD claims over a four-year period. Today, these four properties are collectively known as **the Golden Crown Property**. That same year, Gold City Industries also acquired Lexington Property (see Lexington Property Section for details) and combined the two Properties into the **Greenwood Gold Project**.

In late 2004, Gold City amalgamated with San Gold in order to focus on the former Bissett Gold Mine. Consequently, in December 2004, Gold City sold the Golden Crown Project, along with the Lexington Property, to **Merit Mining Corp**. in consideration for 10,000,000 Merit Mining shares and the assumption of a 4,817-ounce gold loan from Ocean Resources Capital Holdings Plc.

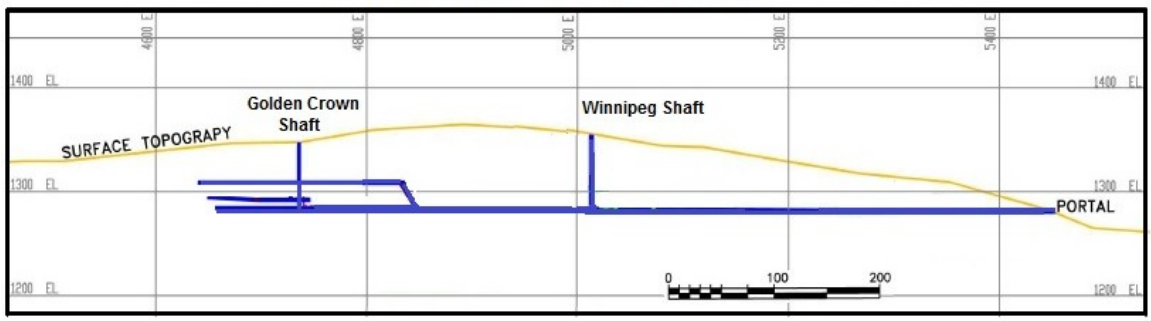
Royalties

The Golden Crown Property is subject to a 3.0% NSR from Huakan International Mining. A few claims of the Golden Crown Property are also subject to various underlying NSR royalties, namely a 3.0% NSR exists on the 11 Century Gold mineral claims (158 hectares out of a total of 1017 hectares) and a separate 3.0% NSR to Don Rippon on mineral tenures 357698 and 517646 encompassing 109.6 hectares. Other historical NSR agreements were extinguished in 2014 when Huakan acquired the claims through a bankruptcy and receivership sale.

Historic Production

Small-scale, underground mining of the Winnipeg-Golden Crown vein system occurred between 1899 and 1903 resulting in the production of gold, silver and copper. Production resumed at the Winnipeg mine between 1910 and 1912 and again from 1938 through 1940. The Golden Crown mine entered production briefly in 1941. Also, an unknown quantity of ore was mined in 2008.

Golden Crown - Winnipeg Mines



Construction of an underground mine on the **Winnipeg claim** began in 1899 when a **91-meter shaft** was sunk and at the 100 foot level, approximately 84 meters of horizontal drifting was completed. By 1902, a

total of 305 meters of sinking and raises were completed, along with 915 meters of additional drifts and of cross-cuts perpendicular to the ore trend. From 1900 to 1903, the Winnipeg mine produced 1,671 ounces Au, 1,218 ounces Ag and 3,874 kg Cu.[xix]

Between 1899 and 1901, a **98-meter shaft** was sunk on the **Golden Crown vein** and approximately 760 meters of cross-cuts, raises and drifts were excavated on three levels (at depths of 100, 150 and 300 feet). During 1900 and 1901, the Golden Crown mine produced 1,231 ounces Au, 2,199 ounces Ag and 37,372 kg Cu.[xx] In 1902, mining operations at the Golden Crown mine were suspended due to a fire.

Financial challenges halted mining operations at the Winnipeg mine in 1903, but production resumed in 1910 and continued through 1912. The Golden Crown Property lay dormant from 1913 to 1937; very minor production (98 ounces Au and 321 ounces Ag) occurred between 1938 and 1941. Also, an unspecified amount of ore was shipped to the Greenwood mill in 2008 when Golden Crown ore was processed concurrent with Lexington-Grenoble ore.

Total production reported from the Golden Crown and Winnipeg claims is **12,915 ounces of gold**, **38,804 ounces of silver**, **124.5 tonnes of copper** and 0.17 tonnes of lead. Over 90% of the gold production was derived from the Winnipeg claim (53,316 tonnes grading **6.9 g/t Au** and 0.16% Cu) while the ore from the Golden Crown claim was a higher grade (2,488 tonnes averaging **15.4 g/t Au** and 1.5% Cu). The Golden Crown claim's ore was mined primarily from three stopes on the 100 foot level about 55 meters from the shaft from a steep, south-dipping vein with an average thickness of 1.5 meters.

In 1987 and 1988, underground drilling programs required two phases of drifting and cross-cuts that culminated in the construction of a 1,070-meter exploration drift to provide access for drilling as well as for future haulage. The Golden Crown and Winnipeg workings are currently accessible through the use of the exploration drift. The Golden Crown shaft is still intact though the wooden ladders require replacement, and the workings below the 100 meter level require dewatering. The Winnipeg shaft, on the other hand, has collapsed at surface.

Exploration

Over 240 surface drill holes and more than 50 underground drill holes have been completed on the Golden Crown Property in various programs. Drilling campaigns on the Golden Crown Property have been completed by:

- **Sabina Mines** (16 diamond drill holes totaling 1,650 meters between 1965 to 1968),
- **Granby** (5 diamond drill holes totaling 221 meters in 1970),
- **Grand Forks Syndicate** (5 holes totaling approximately 200 meters in 1976),
- **Con Am Resources** (12 holes between 1977 and 1978),
- **Boundary Exploration Ltd.** (4 holes totaling 300 meters in 1979),
- **Mundee Mines** (16 drill holes totaling 1,500 meters in 1980),
- **Consolidated Boundary Exploration** (5 drill holes on JD claim group in 1980)
- **Noranda** (8 diamond drill holes totaling 672 meters & 10 RC drill holes totaling 1,078 meters on JD claim group from 1986 to 1988)
- **Grand Forks Mines Ltd.** conducted multiple drilling campaigns (137 surface & 53 underground diamond drill holes between 1983 and 1990) and also constructed a 1,070-meter exploration drift between 1987 and 1988
- **Pender Gold Corp**. (5 diamond drill holes on JD claim group in 1997)
- **Gold City Industries Ltd**. (47 hole drilling program totaling 2,137 meters in 2003: 21 on the King Vein and 26 holes on the Samaritan, Tiara, Golden Crown, Portal and Calumet Veins)
- **Gold City Industries Ltd**. (2 holes totaling 230 meters on the King Vein in 2004)
- **Merit Mining** (6 diamond drill holes totaling 509 meters in 2007).[xxi] Merit Mining subsequently was renamed Huakan International Mining Inc. in December 2010.

Three significant milestones were achieved in the development of the Golden Crown Property. **First**, between 1983 and 1990, Grand Forks Mines conducted multiple drilling campaigns consisting of 137 surface and 53 underground diamond drill holes, which culminated in the **discovery of nine additional mineralized zones**. In addition, exploratory drilling discovered the main shoot of the King vein. Also, the **1,070-meter exploration drift** was constructed which then served as a platform for underground exploratory drilling and today provides better access to the existing mine workings.

Second, around the year 2000, the **discovery of *en echelon* veins** identified that the Rossland-style of mineralization exists in the Greenwood Mining Camp. These intrusive-related, gold-copper veins are closely-spaced and *en echelon* in character. In the Rossland Mining Camp, 20 individual veins occur within a small area (1.3 km by 0.5 km) along a Jurassic-aged fault locally marked by serpentinite. The veins have minable amounts of very high-grade gold that occur in lenses of ore (average grade of produced ore was over 100 g/t Au from the IXL, Midnight and OK claims) that are erratically distributed within the veins.

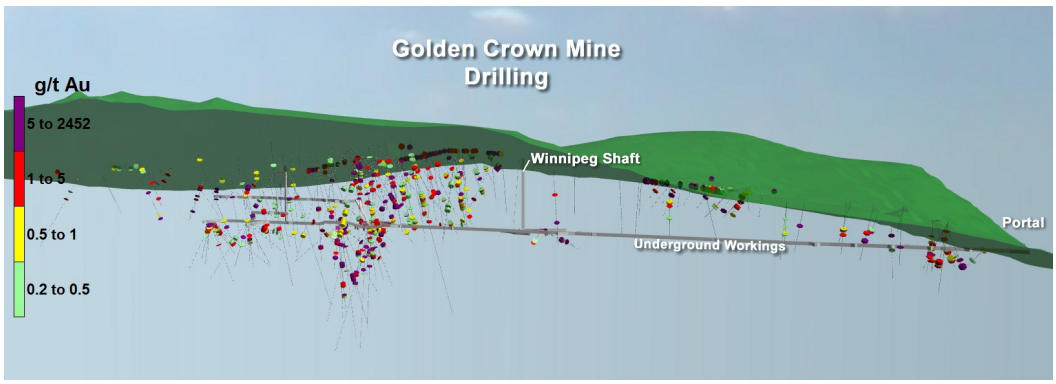
Third, the results of the 2007 drilling program were utilized to **update the resource estimates** for Golden Crown Property.

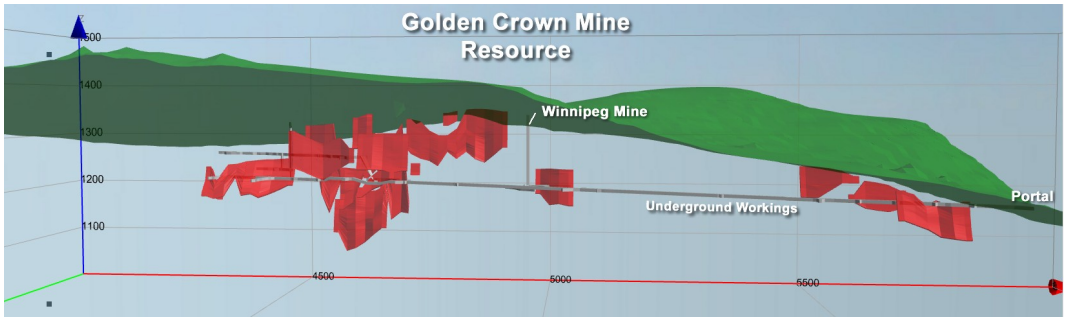
Resource Estimation

An updated NI 43-101-compliant estimate for the Golden Crown deposit was published on April 8, 2016. The update utilized the results from the 2007 drilling program, along with the significant exploration work on the deposit since the 1960's, namely a database of results from 235 surface drill holes and 53 underground drill holes, along with 133 trench sampling records and 30 underground chip sample records. P&E Mining Consultants estimated an **Indicated resource** of 163,000 tonnes averaging 11.09 g/t Au, and 0.56% Cu representing **62,500 of gold equivalent** (AuEq) **ounces** at a cut-off of 3.5 g/t. A resource of **13,100 ounces** AuEq is categorized as **Inferred**.

Golden Crown Deposit
Updated Mineral Resource Estimate

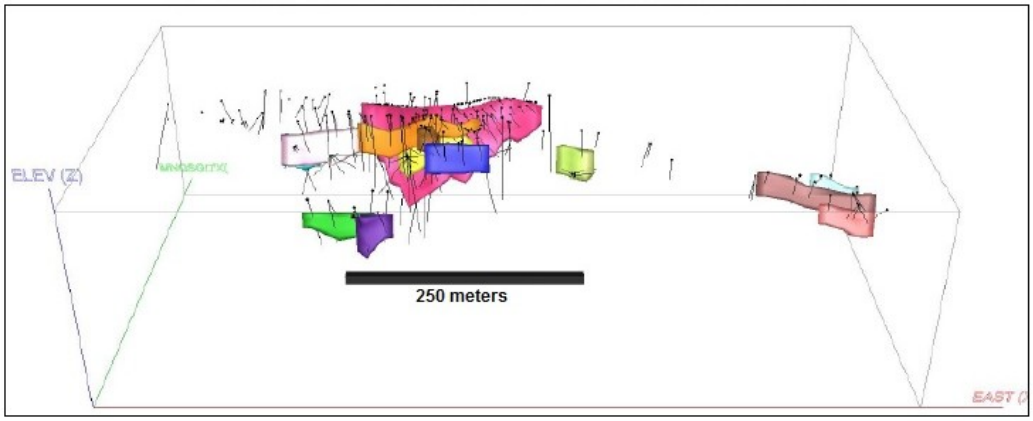
Class	Tonnes	Au g/t	Cu %	AuEq g/t	AuEq ozs
Indicated	163,000	11.09	0.56	11.93	62,500
Inferred	42,000	9.04	0.43	9.68	13,100





The estimation of gold reserves hosted in discontinuous quartz veins and lenses is challenging. Most techniques used to estimate of gold reserves assume that an ore deposit exhibits a relatively uniform grade and thickness. However, the distribution of gold mineralization at Golden Crown is not homogeneous; rather it is unevenly distributed in alternating zones of high and very low concentrations of gold mineralization. There are also shoots of very high-grade mineralization. This zonality in the distribution of mineralization required the deposit to be divided into **15 mineralization domains** in order to structural interpret the mineralization and generate a three-dimensional depiction. On occasions, the inclusion of lower grade mineralization was required to maintain zonal continuity of the domains.

3D View of Golden Crown Resource Domains and Drill holes



On the other hand, since the gold mineralization occurs in intermittent ore bodies, **many of the discovered veins and shoots remain open-ended**, both laterally and at depth. Future drilling programs have the potential to discover additional down dip extensions and/or to extend the strike length of known veins. Also, geochemical (soil) and geophysical (VLF) anomalies require further exploration, especially the entire 2.5 kilometer gap between the principal Winnipeg-Golden Crown vein system and the JD area to the west northwest where trenching has identified high-grade (greater than 10 g/t) gold mineralization.

Expected Development

The ore from the Golden Crown Mine is anticipated to be a supplementary source of mill feed for the Greenwood mill. **Management envisions that a cut and fill (C&F) operation** would selectively mine high-grade zones of mineralization. This method addresses the deposit's structure of unevenly distributed, but high-grade ore bodies. Also, C&F provides the flexibility to follow irregular bodies of mineralization while at the same time circumventing low grade ore.

Based on management's assumptions for dilution (15%) and extraction (85%), it is anticipated that 191,000 tonnes grading 8.67 g/t Au and 0.48% Cu (9.46 g/t AuEq) can be processed from 23 Golden Crown stopes. Utilizing 13-tonne trucks to haul the ore to the surface, it is estimated that a maximum of 212 tonnes per day (72,000 tonnes per year) of mill feed can be delivered to the Greenwood mill from the Golden Crown Mine.

Permits are required to proceed with management's plan, beginning with a **Notice of Work permit** that would allow for the rehabilitation of the access portal and underground drifts, along with de-watering the mine, which requires a **water discharge permit**. Management has applied for a **10,000-tonne bulk sample**, which will be followed an application for a continuous mining permit. **Management currently anticipates that mining will commence at the Golden Crown mine during the second quarter of 2018.**

GREENWOOD MILL

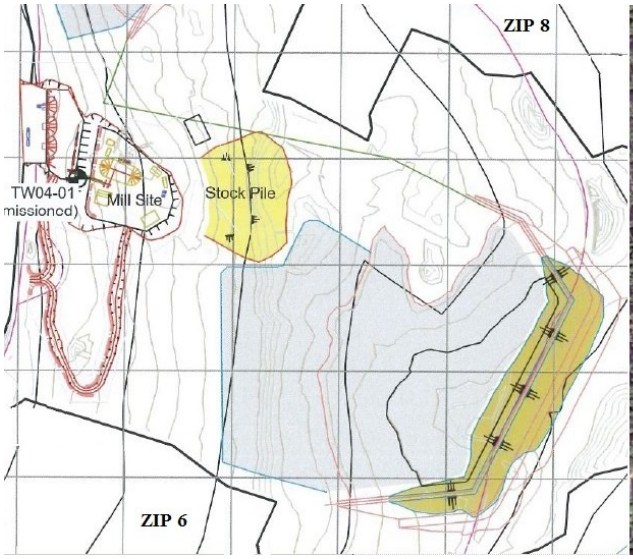
The Greenwood mill complex was **built by Merit Mining Corporation**, initially for the purpose of processing a 10,000 tonne bulk sample from the Lexington-Grenoble lode deposit. Construction began in September 2007 and was **completed in April 2008**. After processing the bulk sample, commercial production commenced in June, after which the facility operated until the end of December 2008 when it was put under care and maintenance. The mill was designed by Klohn-Crippen-Berger to achieve a daily capacity of 400 tonnes, though in its current configuration, the mill received permits from Province of British Columbia on May 8, 2008 to operate at 72,000 tonnes per year. The operating permit remains in effect today, though an associated Impacts and Benefits Agreement with First Nations-Osoyoos Indian Band is required to be reactivated. The Greenwood mill continues to be under care and maintenance.



The Greenwood mill complex consists of

1) a **mill building** with a ball mill, regrind ball mill, centrifugal gravity concentrator system, a series of flotation banks, dry room, lunch room and fork lift
2) an **assay laboratory** in a Sea-Can container (fully equipped for gold and copper assaying)
3) sample preparation room in a small Sea-Can container (fully equipped to crush and pulverize)
4) **sprung** (tensioned fabric membrane) **structure** for storage of spares, electrical parts and cables
5) **Atco trailers** (modular buildings) that served as administration offices
6) small oil/lubricant storage shed (over a lined containment pit)
7) two portable **living trailers**
8) 600,000-tonne **lined tailings facility** connected by a 300 meter pipeline to the mill building
9) **mining equipment**: two 13-ton mine trucks, two 2-boom jumbos, three 3.5-yard scooptrams, three tractors, three 2.5-yard scooptrams, two generators and two compressors
10) approximately 25 tonnes of **oversize ore stockpile** (15 tonnes from Lexington-Grenoble and 10 tonnes from the King Vein at Golden Crown

Located on the Zip claims, which are included in the Golden Crown Property, the Greenwood mill facility is 17 kilometers by gravel road from Lexington-Grenoble deposit and 1.5 kilometers from the Golden Crown underground mine. The grinding-gravity-flotation facility is rated at a capacity of 212 tonnes per day.





Production

After processing the **10,000 tonne bulk sample** from the Lexington-Grenoble mine, the mill began commercial operations in June with feed from Lexington-Grenoble mine as well as from the nearby the Golden Crown property (specifically from the King Vein). A total of 54,237 tonnes of ore (a 10,000 tonne bulk sample and **44,237 tonnes of commercial feed**) were processed, producing **5,486 ounces gold**, **3,247 ounces silver** and **860,259 pounds copper**.

Merit Mining had targeted annual production of 25,000 ounces of gold equivalent with roughly 25% of revenue from copper during the first year of production. However, operations were beset by a cacophony of challenges. The average grade of the commercial production feed (4.13 g/t Au, 0.84% Cu) was a lower grade than the bulk sample (5.74 g/t Au, 1.55% Cu). In addition, lower recoveries were encountered which required adjustments; nevertheless, operating costs were able to be lowered to approximately $850 per oz. But then the price of gold declined from a high of $1,000 in March 2008 to a low of $700 in November when Merit Mining announced that operations were being reduced. In December, operations were ultimately suspended, and the mill facility was placed under care and maintenance. The Greenwood mill operated for eight months during 2008.

Once the facility is reopened and the equipment (which has been exposed to the elements for over seven years) refurbished, the Greenwood mill can perform processing services for the ore from the Lexington-Grenoble and Golden Crown deposits, as well as providing a custom-milling option for other deposits in the Greenwood Mining Camp, including Golden Dawn's 100%-owned May Mac mine, which is located only 15 kilometers away.

VALUATION

Managements of junior mineral exploration companies create value through evaluating, acquiring, exploring and/or developing mining properties. **Management's strategy** is to increase shareholder value through **acquiring projects in the Greenwood Mining Camp**, where management has considerable experience, **and subsequently advancing the properties to production**. With the acquisition of the Greenwood mill, management is able to fast-track the May Mac, Lexington-Grenoble and Golden Crown mines to production.

Our calculation of **share value of attributable resources** is based on the ascertained net asset value of each property, which is determined by **adjusting the value of estimated resources for the expected**

recovery rate, mining/processing costs and **royalties**, if any. Also, the resources are assigned a **confidence factor** that attempts to take into account the risks of each project, such as the locality of the deposits, the assurance level of the resources, various technical mining/production risks, etc. The methodology also accounts for balance sheet adjustments for working capital and assets, such as property, plant and equipment, along with anticipated development capital costs. The resource valuation methodology involves the following assumptions:

1) A 90% confidence factor is applied to measured & indicated resources and a 20% factor for inferred resources.
2) A 50% confidence factor is applied to historical non-compliant resources, which we list as inferred.
3) Each property's estimated production life is approximately 5 years.
4) Properties that do not have a resource estimate have not been assigned a value.
5) Upon being returned to operating condition, we value the fair market value of the Greenwood mill at CDN$5,000,000
6) The capital costs to bring the properties and mill to commercial production are derived from the PEA even though the proposed development plan has not yet been officially adopted by management.
7) Our asset value per share takes into account the dilutive effect of having warrants and options which are exercisable below our target price.

Based on our calculation of share value of attributable resources (see table below), **our target for Golden Dawn stock is $0.47.**

Golden Dawn Minerals

Projects	Metal	Measured & Indicated Resource (oz)	Grade (g/t)	Inferred Resource (oz)	Recovery Rate	Average Production Costs ($CDN per oz)	Current Gold Price ($CDN)	Royalties & Net Smelter Return (NSR)	% Ownership	Net Value to GOM	Net Present Value to GOM
GREENWOOD MINING CAMP											
Lexington-Grenoble	Au Eq	96,300	8.050	2,300	80%	769	1,528	0.0%	100%	53,159,677	44,934,747
		43-101-compliant									
Golden Crown	Au Eq	62,500	11.930	13,100	80%	769	1,528	0.1%	100%	35,881,794	30,330,119
		43-101-compliant									
May Mac	Au Eq			9,714	80%	769	1,528	0.0%	100%	2,948,734	2,553,295
				non-compliant							
Greenwood mill	N/A								100%	5,000,000	5,000,000
BALANCE SHEET ADJUSTMENTS											
Working capital										(193,793)	(193,793)
Anticipated purchase of Lexington NSR										(700,000)	(646,259)
Preproduction capital costs										(9,677,220)	(9,677,220)
Sustaining capital costs										(19,607,859)	(15,173,013)
								Net Assets & Resources		66,811,332	57,127,876
								Shares Outstanding		96,176,676	96,176,676
								Warrants & Options Outstanding		25,983,014	25,983,014
								Fully Diluted Shares		122,159,690	122,159,690
								Asset Value		0.55	
								Discounted Asset Value ($CDN)			**0.47**

As new drill results provide sufficient information to produce updated estimates of current resources, and as interests in new properties are acquired, the resource valuation will be revised. Our methodology does not include any upside from additional exploration of the stockpiles and/or resources. Only when these drill programs and subsequent assessments are convincing will the resources be adjusted.

The stocks of junior gold companies have a unique trading profile. The stocks tend to mark time, trading sideways-to-down, during an incubation phase until a discovery from a drilling program is announced and/or a mine begins producing. Significant positive results are the stimulus for upside gaps in stock's price in a mark-up phase as the new information is discounted by first-movers. Generally, the price appreciation continues, albeit at a slower pace, usually on heavy volume until the newly created demand instigated by the announcement is fulfilled. After the initial rally, another period of time of sideways-to-

down action occurs. Often the stock retraces some, or sometimes all, of the prior price-appreciation during this digestion phase. If and when a subsequent discovery is announced from a follow-on drilling program or production significantly exceeds expectations, another mark-up phase is set in motion.

RISKS

- As with almost all resource exploration companies, the accounting firm's opinion in the last 10-K contains the standard language for a company that is incurring losses from its exploration activities and is in need of additional capital to continue as a going concern. We believe, as management does, that the company can successfully raise additional capital and continue as a going concern. Moreover, management anticipates becoming an early-stage production company as ore is mined from the May Mac mine in 2017.
- Shares outstanding steadily increased (in the 15%-to-50% range annually) from fiscal 2001 through fiscal 2013 as private placements funded the company's acquisitions and exploration activities. More recently, the rate of dilution has significantly increased, especially by the issuance of Units, which has increased the potential for further dilution. As the company gears up to exploit the Greenwood Mining Camp, shares outstanding increased roughly 200% in fiscal 2015 and thus far in fiscal 2016 157%. On the other hand, the newly issued shares/Units have helped fund the acquisition of the mineral assets and mill of the Greenwood Gold Project.
- Golden Dawn currently does not have adequate capital to complete management's plan for exploration and development of the company's properties; therefore, it will be necessary to raise additional capital through private placements of equity and/or debt financing. Thus far, the company has been very successful in obtaining capital through equity and debt offerings.

BALANCE SHEET

Golden Dawn Minerals

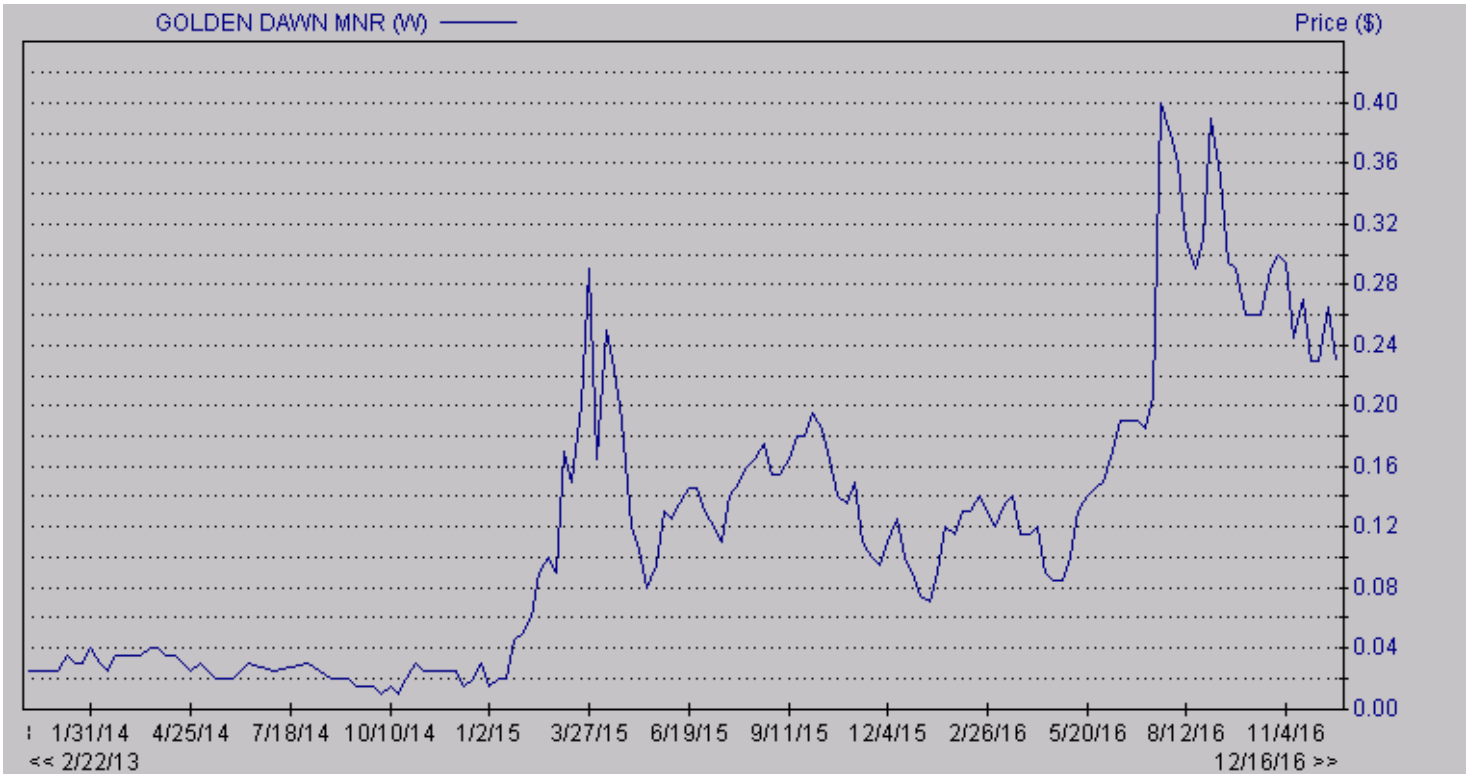
Year ending November 30th (Canadian Dollars)	FY 2011 11/30/2011	FY 201 11/30/2012	FY 2013 11/30/2013	FY 201 11/30/2014	FY 2015 11/30/2015	3Q FY 2016 8/31/2016
ASSETS						
Cash and cash equivalents	40,450	24,703	5,229	88	107,722	1,029,383
Receivables from related party		35,498	0	0	0	0
Marketable securities	31,000	7,000	4,500	19,500	0	45,000
Receivables and prepayments	247,684	24,203	16,342	4,078	42,600	36,558
Total Current Assets	**319,134**	**91,404**	**26,071**	**23,666**	**150,322**	**1,110,941**
Restricted cash	10,738	62,802	62,802	63,952	63,952	67,102
Receivables from related party	0	0	119,441	111,517	324,813	448,140
Equipment	0	21,000	0	0	16,528	22,591
Exploration and evaluation assets	4,138,195	4,507,554	3,850,693	1,035,145	1,187,044	2,503,327
TOTAL ASSETS	**4,468,067**	**4,682,760**	**4,059,007**	**1,234,280**	**1,742,659**	**4,152,101**
Liabilities and Stockholders' Equity						
Accounts payable and accrued liabilities	1,164,700	1,368,413	1,502,439	1,610,599	660,840	311,162
Provision for indemnity	0	0	108,595	155,907	155,907	0
Due to related parties	27,653	52,261	248,714	352,773	386,287	171,681
Short term loan	0	0	102,000	22,750	0	0
Convertible debenture	0	0	47,206	57,929	79,287	79,287
Promissory notes	0	0	0	0	703,888	703,888
Flow through share premium liabilities	58,813	189,002	172,023	21,750	62,810	38,716
Total Current Liabilities	**1,251,166**	**1,609,676**	**2,180,977**	**2,221,708**	**2,049,019**	**1,304,734**
TOTAL LIABILITIES	**1,251,166**	**1,609,676**	**2,180,977**	**2,221,708**	**2,049,019**	**1,304,734**
Share capital	8,443,946	9,296,377	9,819,223	9,817,378	11,539,698	16,010,082
Share subscriptions received in advance	0	0	0	5,000	55,000	47,300
Share subscriptions receivable	36,000	0	0	0	(20,000)	(10,000)
Share based payment reserve	1,621,704	1,622,485	1,622,485	1,622,485	2,022,654	2,675,042
Accumulated deficit	(6,884,749)	(7,845,778)	(9,563,678)	(12,432,291)	(13,903,712)	(15,875,057)
Total Stockholders' Equity	**3,216,901**	**3,073,084**	**1,878,030**	**(987,428)**	**(306,360)**	**2,847,367**
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	**4,468,067**	**4,682,760**	**4,059,007**	**1,234,280**	**1,742,659**	**4,152,101**
Shares outstanding	6,696,846	9,120,912	13,242,869	13,242,869	39,971,123	79,421,349

INCOME STATEMENT

Golden Dawn Minerals

Income Statement (Canadian Dollars)	FY 2011	FY 201	FY 2013	FY 2014	FY 201	1Q-3Q 2016
Period ending	11/30/2011	11/30/2012	11/30/2013	11/30/2014	11/30/2015	8/31/2016
Revenues	**0**	**0**	**0**	**0**	**0**	**0**
Expenses						
Amortization	2,893	10,891	6,667	0	0	0
Indemnification expenses	0	0	108,595	47,312	0	0
Finance cost (recovery)	(215)	4,684	48,772	15,101	123,675	30,774
General and administrative	149,094	129,552	84,771	53,766	51,172	72,508
Corporate communication	488,462	218,992	170,485	20,932	974,350	1,281,374
Management, wages and salaries	551,398	217,637	241,930	221,967	210,419	150,555
Professional fees	97,415	83,735	72,879	52,371	58,240	94,235
Share-based compensation	0	0	0	0	396,481	652,388
Transfer agent and filing fee	40,658	33,796	120,205	72,218	55,953	85,065
Loss Before Other Income (Expenses)	**(1,329,705)**	**(699,287)**	**(854,304)**	**(483,667)**	**(1,870,290)**	**(2,366,899)**
Other income (expense):						
Unrealized gain (loss) on marketable securities	(9,250)	(5,270)	(4,086)	15,000	4,586	30,000
Foreign exchange gain (loss)	0	0	21	(112)	(24,232)	0
Recovery (loss) of property expenses	0	0				10,000
Flow through share premium recovery (loss)	36,000	58,077	38,729	150,273	21,750	52,477
Gain (loss) on debt settlement	0	0			461,765	303,077
Gain (loss) on disposal of assets	0	0	667	5,775		0
Exploration and evaluation assets (write-down)	**0**	(314,549)	(898,927)	(2,555,882)	(65,000)	0
Total other income (expense)	**26,750**	**(261,742)**	**(863,596)**	**(2,384,946)**	**398,869**	**395,554**
Net Loss Before Tax	**(1,302,955)**	**(961,029)**	**(1,717,900)**	**(2,868,613)**	**(1,471,421)**	**(1,971,345)**
Income tax expense (recovery)	0	0	0	0	0	0
Net Loss	**(1,302,955)**	**(961,029)**	**(1,717,900)**	**(2,868,613)**	**(1,471,421)**	**(1,971,345)**
Net loss per share:						
Basic and diluted loss per share	**(0.21)**	**(0.13)**	**(0.15)**	**(0.22)**	**(0.06)**	**(0.04)**
Wgted avg. shares - basic & diluted	6,281,192	7,609,950	11,496,128	13,242,870	26,640,540	46,053,973

HISTORICAL STOCK PRICE



DISCLOSURES

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[i] Technical Report on the Boundary Falls Property, Effective Date June 27, 2016, page 24.
[ii] Technical Report and Updated Resource Estimate for the Greenwood Gold Project prepared for Huakan International Mining and Golden Dawn Minerals, Inc., March 24, 2016, p. 1. However, the 2008 Annual Report of Merit Mining indicates that 5,503 ounces of gold and 862,016 pounds of copper were extracted from the Lexington-Grenoble mine during 2008.
[iii] USGS website http://mrdata.usgs.gov/mrds/show-mrds.php?dep_id=10252966
[iv] Technical Report and Updated Mineral Resource Estimate for the Greenwood Gold Project prepared for Huakan International Mining and Golden Dawn Minerals, Inc., effective March 24, 2016, p 16.
[v] Britannia Prospectus dated January 9, 1998, p. 89
[vi] Britannia Prospectus dated January 9, 1998, p. 31.
[vii] Technical Report Grenoble Deposit, Lexington Property prepared for Gold City Industries LTD, June 21, 2004, p. 35.
[viii] Technical Report Grenoble Deposit, Lexington Property prepared for Gold City Industries LTD, June 21, 2004, p. 35.
[ix] Technical Report Lexington-Grenoble Deposit, Lexington Property prepared for Merit Mining Corp., September 14, 2006, p. 15.
[x] Technical Report and Updated Resource Estimate for the Greenwood Gold Project prepared for Huakan International Mining and Golden Dawn Minerals, Inc., March 24, 2016, p. 48.
[xi] Grenoble Energy Limited Prospectus dated October 30, 1979, p. 10.
[xii] Canadian Pawnee Oil Corporation amended filing statement, May 1987, p. 10.
[xiii] Though most sources cite the decline was 900 meters in length, Britannia's Prospectus dated January 9, 1998 states that the completed decline 770+ meters (page 16), even though the MD&A on page 53 also states the JV drove a 900+ meter decline.
[xiv] Assessment Report on the Lexington Property, prepared B\by Paul S. Cowley, P.Geo., April 8, 2004, page 15.
[xv] Gold City Industries Ltd Annual Report, 2004, page 5.
[xvi] Technical Report and Updated Mineral Resource for the Greenwood Project, prepared by P&E Mining Consultants for Huakan International Mining and Golden Dawn Minerals, March 24, 2016, page 107.
[xvii] British Columbia Ministry of Energy, Mines and Petroleum Resources, http://www.empr.gov.bc.ca/Mining/Geoscience/MINFILE/ProductsDownloads/PublicationsList/Pages/GREENWD.aspx
[xviii] British Columbia Ministry of Energy, Mines and Petroleum Resources, http://www.empr.gov.bc.ca/Mining/Geoscience/MINFILE/ProductsDownloads/PublicationsList/Pages/GREENWD.aspx
[xix] British Columbia Ministry of Energy, Mines and Petroleum Resources, Minfile Production, Winnipeg.
[xx] British Columbia Ministry of Energy, Mines and Petroleum Resources, Minfile Production, Golden Crown.
[xxi] Technical Report and Updated Resource Estimate for the Greenwood Gold Project prepared for Huakan International Mining and Golden Dawn Minerals, Inc., March 24, 2016, p. 48.