Zacks Small-Cap Research

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Golden Dawn Minerals (V.GOM – TSX-V)

NI 43-101 completed on Kettle River land package; RIVI financing executed.

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$0.51 per share is indicated.

Current Price (02/02/17)	$0.28
Valuation	**$0.51**

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 ore from the May Mac mine once a permit is received. Raising target slightly due to rally in the price of gold.

SUMMARY DATA

52-Week High	**$0.43**
52-Week Low	**$0.07**
One-Year Return (%)	**115.0**
Beta	**-0.64**
Average Daily Volume (shrs.)	**440,466**
Shares Outstanding (million)	**97.29**
Market Capitalization ($mil.)	**$27.24**
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
        - on January 27, 2017, a NI 43-101-compliant Technical Report on Kettle River land package was filed on SEDAR
- **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**
        - upon receipt of a dewatering permit, the dewatering process will commence
        - 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
        - in November 2016, a Notice of Work permit application was submitted for a northwest extension of the No. 7 level drift
        - once the permit is received, up to a 10,000-tonne bulk sample will be extracted
        - additional backup information was requested to support the company's permit application
        - upon receipt of the permit, management plans to begin transporting bulk samples from the May Mac mine to the Greenwood mill
    - **Amigo and Glory Hole Mines**
        - surface diamond drilling program (16 holes totaling 904 meters) completed in Nov. 2016
- **Recap of Management's Anticipated Timeline**
    - 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

Pending Acquisition - Greenwood Area Properties

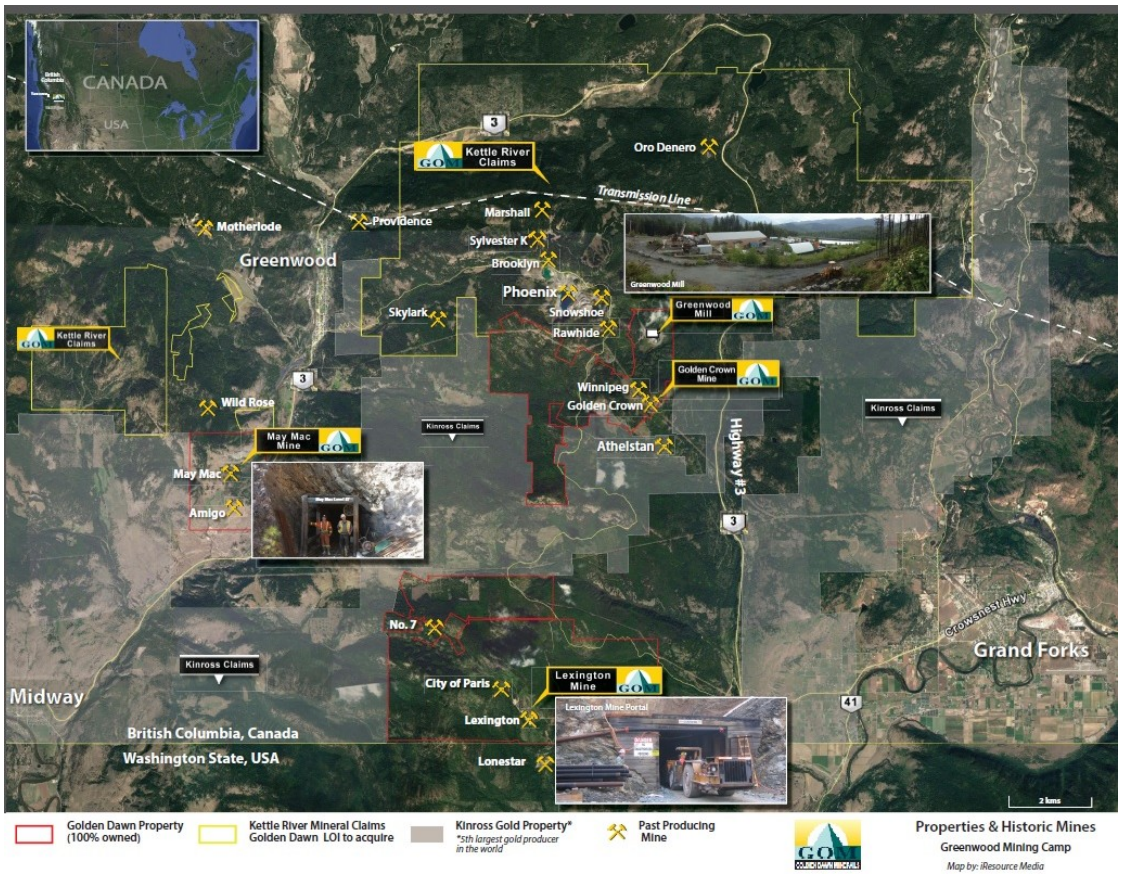
On October 17, 2016, Golden Dawn entered into a Letter of Intent (LOI) with New Nadina Explorations Limited (NNA.V) for the **acquisition** of **Kettle River Resources Ltd**, which holds 100% interest in 54 mineral claims and 75 crown grants encompassing approximately 10,400 hectares. Consideration for 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.

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

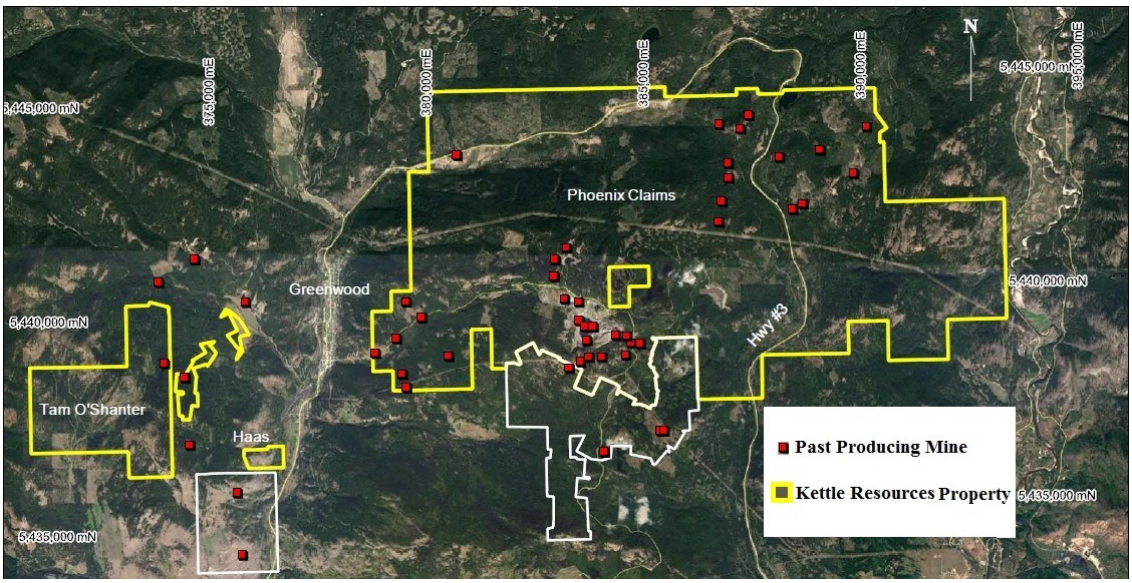
- **Phoenix Property**
    - includes the **historic Phoenix mine** which has produced over 900,000 ounces gold, 5,800,000 ounces silver and 500 million pounds copper
    - Sylvester K deposit
- Phoenix Tailings Property, including the Tremblay tailings area
- Bluebell Property, which includes the **historic 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**.



On January 26, 2017, a NI 43-101 Technical Report on the Greenwood Area Property was filed on SEDAR. The report was prepared for Golden Dawn Minerals as part of the due diligence process of acquiring the mineral properties of Kettle River Resources from New Nadina Explorations Limited.



The Greenwood Area Property is comprised of 57 Crown Granted claims with sub-surface mineral rights (814.3 hectares), 24 Crown Granted claims with surface and sub-surface rights (277.4 hectares), and 51 mineral tenure claims with subsurface rights (10,263 hectares), which in total encompass **over 11,000 hectares** covering **29 historic metal mines**, including the historic Phoenix mine.

Most of the historic mines are clustered in the Phoenix and Summit mining camp areas, and all of the historic mines are less than 150 meters in depth (most being less than 50 meters deep). The two localized groupings suggest that the two areas may overlie porphyry-copper gold source intrusion. Management intends to explore areas evidencing indications of intrusive porphyry deposits. In addition, historic exploration focused on higher-grade massive sulphide/oxide ores, generally bypassing lower grade footwall stringer mineralization and iron-rich skarn zones of mineralization.

Summary of Past Producing Mines

Property	Minfile	Northing	Easting	Model	Commodity	Tonnes Produced
Phoenix	082ESE020	5438785	383228	Skarn	Cu-Au-Ag	21,552,283
Rawhide	082ESE026	5438732	384281	Skarn	Cu-Au-Ag	855,634
Snowshoe	082ESE025	5439164	384331	Skarn	Cu-Au-Ag	545,129
Brooklyn	082ESE013	5440016	383093	Skarn	Ag-Au-Cu	292,834
Emma	082ESE062	5443063	386967	Skarn	Cu-Au-Ag-Gr-Mo-Co	241,538
Oro Denoro	082ESE063	5442630	387019	Skarn	Cu-Au-Ag-Co	123,782
Stemwinder	082ESE014	5439926	383333	Skarn	Cu-Au	105,336
B.C. Mine	082ESE060	5443204	389159	Skarn	Cu-Au-Ag	93,874
Grey Eagle	082ESE018	5438536	383324	Skarn	Fe-Cu	45,360
Skylark	082ESE011	5438910	380288	Poly Vein	Ag-Pb-Zn+-Au	38,761
Last Chance	082ESE216	5439276	379099	Vein	Au-Ag-Pb-Zn	704
Bay	082ESE005	5438408	379202	Poly Vein	Ag-Pb-Zn+-Au	447
Marshall	082ESE031	5441016	382930	Skarn	Au-Cu-Pb,Zn	370
Bluebell	082ESE188	5443134	388063	Skarn	Cu-Au-Ag	353
R.Bell	082ESE064	5441827	388523	Skarn/Vein	Cu-Ag-Au	287
Cyclops	082ESE122	5442111	386724	Skarn(strat)	Zn-Pb-Ag-Cu	259
Crescent	082ESE012	5440073	379360	Vein Meso	Ag-Pb-Zn+-Au	250
Mavis	082ESE027	5438129	379277	Vein	Ag-Au	29
Prince Henry	082ESE250	5438915	378625	Vein	Ag-Au-Pb-Zn	19
Gold Drop	082ESE028	5439105	384168	Skarn	Cu-Au	12
Aetna	082ESE022	5439027	384476	Skarn	Cu-Au-Ag	Part of Phoenix
Curlew	082ESE024	5438913	384508	Skarn	Cu-Au-Ag	Part of Phoenix
Monarch	082ESE027	5438619	383812	Skarn	Cu-Au-Ag	Part of Phoenix
Old Ironsides	082ESE021	5439494	383324	Skarn	Cu-Au-Ag	Part of Phoenix
Victoria	082ESE023	5439333	383625	Skarn	Cu-Au-Ag	Part of Phoenix
War Eagle	082ESE019	5438625	383324	Skarn	Fe-Cu	Part of Phoenix
Gilt Edge	082ESE015	5440225	383826	Skarn	Cu	N/A
Lake	082ESE003	5439330	379425	Poly Vein	Ag-Pb-Zn+-Au	N/A
May Alice	082ESE197	5441175	371596	Skarn	Cu	N/A
Niagara	082ESE065	5440546	392391	unknown	unknown	N/A
Pac	082ESE194	5441826	388341	Vein	Au	N/A
Rathmullen	082ESE059	5443710	390122	Vein	Cu-Ag-Au-Zn	N/A
Stan	082ESE132	5442576	383673	Skarn	Cu-Mo	N/A
Sylvester K	082ESE046	5440524	382798	Skarn(hornfels)	Au	N/A
Tokyo	082ESE257	5442636	389776	Vein	Cu-Ag-Au-Zn	N/A
Yellow Jacket	082ESE030	5438878	384711	Skarn	Cu-Au	N/A

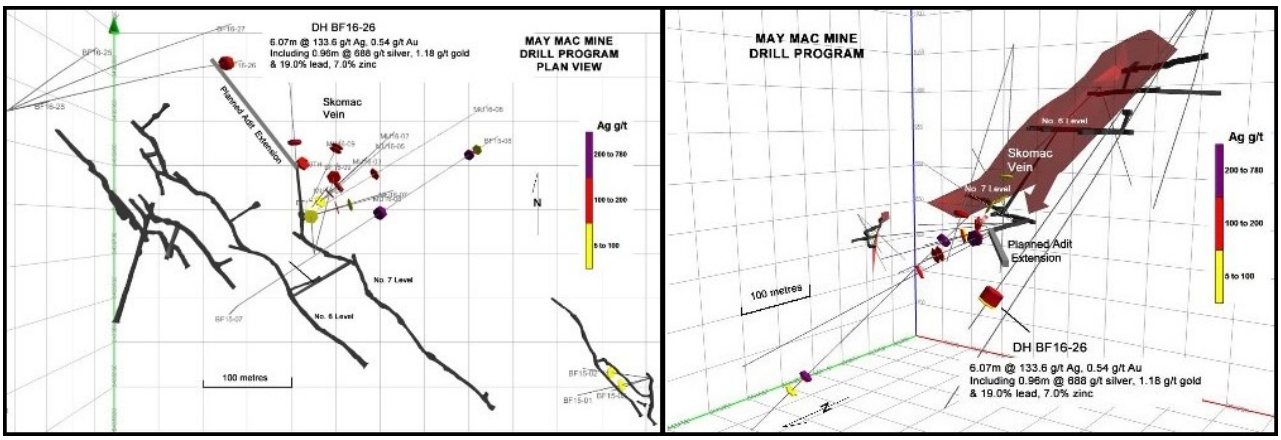
Drilling Program Update

On January 16, 2017, Golden Dawn Minerals announced the results from 2016 underground drilling program. As reported in December, drill Hole MU16-01 intersected the Skomac vein at 18 meters from the end of the level No. 7 adit. The remaining 8 holes (MU16-02 through MU 16-09) were drilled in a fan pattern. From the table below, all intercept about 0.5 meter of significant mineralization.

Significant Intercepts from 2016 Underground Drilling at May Mac Mine

Hole No.	From (m)	To (m)	Length (m)	Ag (g/t)	Au g/t	Pb (%)	Zn (%)	Cu (%)
MU16-01	17.45	19.78	2.33	**131.3**	**2.34**	0.6	0.4	0.1
Including*	18.68	19.78	1.10	**250.0**	**4.96**	**1.2**	**0.9**	0.2
MU16-02	24.09	24.64	0.50	**132.0**	0.14	**1.9**	**1.6**	0.5
MU16-03	18.38	18.87	0.49	21.1	0.55	N/S	0.1	N/S
MU16-04	17.0	17.5	0.5	57.5	0.32	0.7	**1.1**	0.1
MU16-05	32.92	34.42	1.50	**176.5**	1.06	**3.2**	1.1	0.3
MU16-06	69.28	70.04	0.76	**173.0**	0.22	**2.7**	**2.5**	0.1
MU16-07	23.40	23.84	0.44	**105.0**	0.15	**3.7**	0.3	N/S
MU16-08	34.57	35.00	0.43	84.8	0.20	0.6	0.1	N/S
MU16-09	55.30	55.78	0.48	**151.0**	**2.97**	0.9	0.7	0.1
MU16-09	58.54	58.94	0.40	**152.0**	0.40	**4.5**	**1.7**	0.1

The results for the surface step-out hole BF 16-26 at the May Mac mine were revised upward from intersecting **6.07 meters** of mineralization grading **79.6 g/t Ag, 0.57 g/t Au, 1.9% Pb and 1.4% Zn** to intersecting **6.07 meters** of mineralization grading **133.6 g/t Ag, 0.54 g/t Au, 3.6% Pb and 1.5% Zn** due to the high lead content. For samples with >5% Pb, the initial 4Acid digestion assay provided low biased results; for full Pb recovery, an Aqua Regia digestion or Peroxide Fusion assay is required, which lead to higher silver and lead values in the check assays.



Management continues to commission diamond drilling at the May Mac Mine to locate a source of mill feed. Underground diamond drilling should have commences by January 21, 2017 from drill station #3, to be followed further drilling at station #2 and station #1.

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.

Nine underground diamond drill holes totaling 805 meters were drilled at the May Mac mine to test for mineralized zones on the Skomac vein and to test for parallel veins. All nine holes intersected the target Skomac vein indicating that the Skomac vein mineralization continues down to and below the No. 7 level. Significant results are presented in the Table 1, including previously released results for hole MU16-0.

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.

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.

RECENT FINANCINGS

Update on Metal Purchase Agreement with RIVI Capital

On January 03, 2017, Golden Dawn Minerals announced the execution of the Metal Purchase Agreement with RIVI CAPITAL LL. The initial US$3.0 million was placed into an escrow account and will be released upon transfer of a security interest in the Greenwood Mill, Lexington Mine and Golden Crown Mine. Another US$1.0 million (approximately CDN$1.3 million) will be paid no later than February 21, 2017. In return, RIVI shall receive metal stream consisting of 13.5% 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. Any production from the May Mac is excluded from the MPA. 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 6.75% 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 repay a bridge loan, to complete the acquisition of Kettle River Resources Ltd., to fund the exploratory drilling on the Skomac vein system and to bolster working capital.

2016 Financings

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 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.

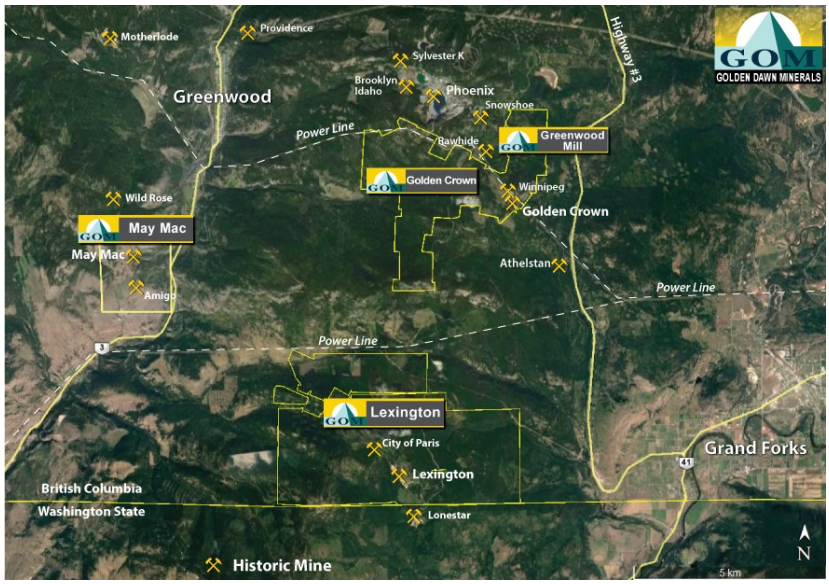
The net proceeds are being directed toward the **CDN$3,350,000** (CDN$2,900,000 for exercising the option and CDN$450,000 for the remedial bond) **needed to acquire the Greenwood Project**.

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.

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.

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

- 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.

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 $0.51.**

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 43-101-compliant	8.050	2,300	80%	769	1,585	0.0%	100%	57,132,706	48,293,064
Golden Crown	Au Eq	62,500 43-101-compliant	11.930	13,100	80%	769	1,585	0.1%	100%	38,563,514	32,596,920
May Mac	Au Eq			9,876 non-compliant	80%	769	1,585	0.0%	100%	3,221,731	2,789,682
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			73,739,079	62,989,381
							Shares Outstanding			97,286,676	97,286,676
							Warrants & Options Outstanding			25,983,014	25,983,014
							Fully Diluted Shares			123,269,690	123,269,690
							Asset Value			0.60	
							Discounted Asset Value ($CDN)				**0.51**

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

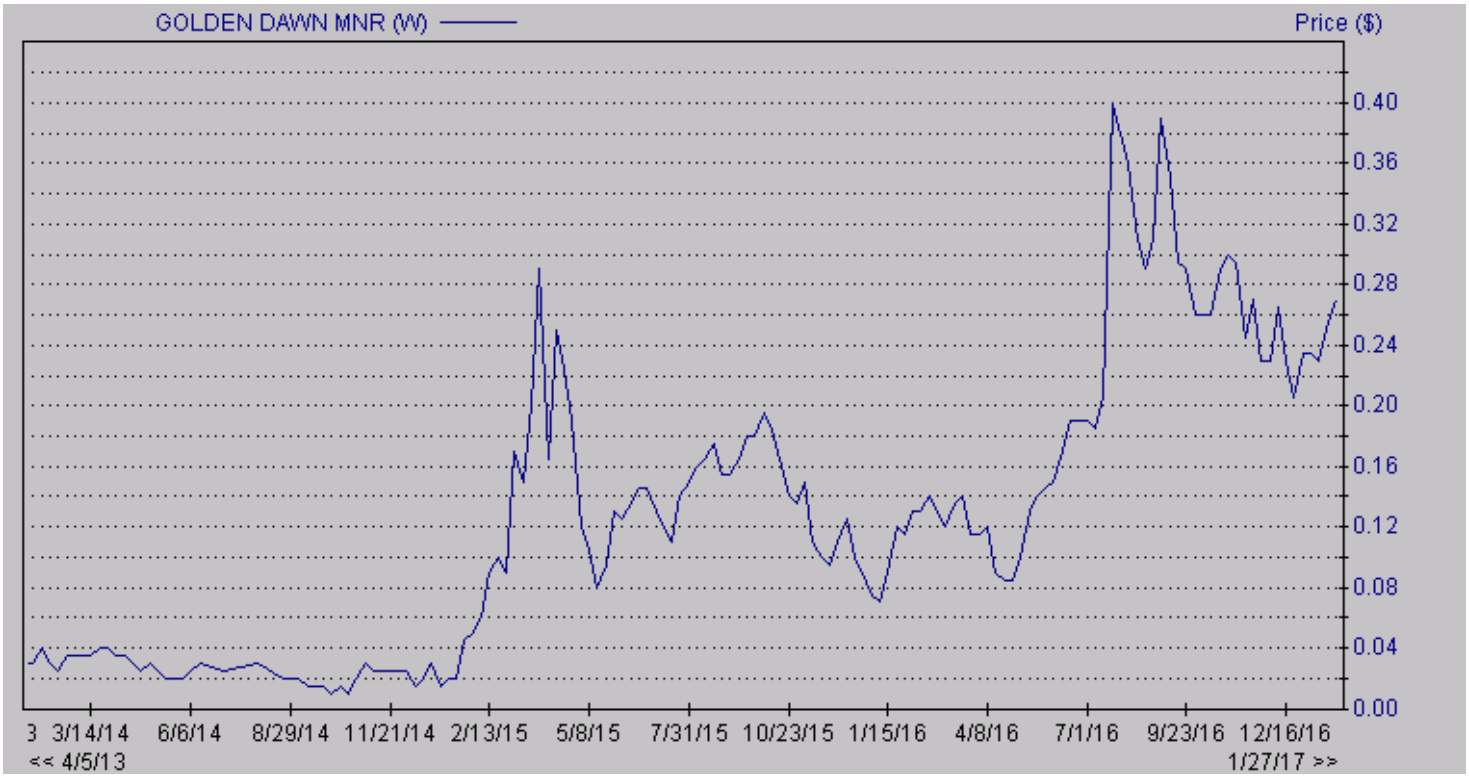
Golden Dawn Minerals						
Year ending November 30th	FY 2011	FY 2012	FY 2013	FY 201	FY 2015	3Q FY 2016
(Canadian Dollars)	11/ 30/ 2011	11/ 30/ 2012	11/ 30/ 2013	11/ 30/ 2014	11/ 30/ 2015	8/ 31/ 2016
ASSETS						
Cash and cash equivalents	40,450	24,703	5,229	88	107,722	1,029,383
Receivables from related 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



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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.