

Vancouver, British Columbia--(Newsfile Corp. - February 24, 2016) - [Golden Dawn Minerals Inc.](#), (TSXV: GOM) (FSE: 3G8A) (the "Company" or "Golden Dawn") announces that it has signed a letter of intent with [Huakan International Mining Inc.](#) ("Huakan") with respect to an option to acquire the mineral properties and assets generally known as the Greenwood Gold Project, located in the Greenwood Mining Division, South Central British Columbia, 500 km east of Vancouver, Canada.

The binding letter of intent "LOI" grants the Company the option to acquire all of the rights, title and interest in the Greenwood Assets subject to certain terms and conditions. Consideration for the acquisition consists of cash payments totaling CAD\$4,035,000 and 2,000,000 units of [Golden Dawn Minerals Inc.](#), consisting of a share and a warrant exercisable at \$0.20 for two years, and 600,000 shares of [Golden Dawn Minerals Inc.](#). The option agreement incorporating the principal terms of this LOI shall be entered into by the parties within two weeks of the date of the LOI or any other later date mutually agreed to by both parties.

The Greenwood Assets consist of the Greenwood mill and all associated buildings, including a 600,000 tonne tailings facility, all real property and property rights, mineral claims comprising the Lexington-Grenoble and Golden Crown mines and Zip claims, all equipment, supplies, vehicles, permits, reports documents, and other associated assets. The previous investment made in developing these assets by Merit Mining Corp. (subsequently acquired by Huakan) was approximately \$40 million.

Under the terms of the agreement:

- (a) 1045061 B.C. Ltd. (the "Vendor") was incorporated on August 6, 2015 by all the existing shareholders of Huakan with the authorized capital of an unlimited number of common shares. A "Spin-off Agreement" will be entered into between Huakan and the Vendor prior to the Closing, pursuant to which Huakan will transfer and assign the Greenwood Assets to the Vendor on an "as is, where is" basis in exchange for an aggregate of 45,091,939 common shares of the Vendor. Upon completion of the Spin-off and due exercise of the Option, the Purchaser ([Golden Dawn Minerals Inc.](#)) shall acquire all of the issued and outstanding common shares (the "Vendor Shares") of the Vendor (being 45,091,939 common shares) from the shareholders of the Vendor pursuant to a "Share Transfer Agreement";
- (b) At the time of the execution of the LOI, Mr. Wolf Wiese, CEO of [Golden Dawn Minerals Inc.](#), will advance 600,000 shares of this Company on behalf of the Company as the first consideration
- (c) Sixty (60) days after the execution of the LOI, Golden Dawn shall make a non-refundable deposit of CAD\$30,000 to the Vendor, and issue 1,000,000 Units of the [Golden Dawn Minerals Inc.](#) to Huakan (or its designate), each Unit comprising of one common share of Golden Dawn and one warrant that entitles the holder to purchase one additional common share of Golden Dawn at a price of CAD\$0.20 for a period of two years from the date of issuance (the "Second Tranche Securities Consideration");
- (d) Upon Closing (no later than 120 calendar days after the execution date of this LOI), the Golden Dawn shall make a payment in the amount of CAD\$2,900,000 in cash to the Vendor and issue 1,000,000 Units to Huakan or its designate, and refund to Huakan or the Vendor (as the case may be) an amount of CAD\$435,000 that is equal to the reclamation bond held by the Government of British Columbia, that was previously posted by Huakan. This transaction is subject to all regulatory approvals.
- (e) An ongoing and post-Closing periodic payment of CAD\$700,000 (the "Net Revenue Payment") shall be accumulated and paid to the Vendor on a semi-annual basis for a period of no more than 30 months after the Closing.
- (f) Pursuant to a "Royalty Agreement", the Lexington-Grenoble and Golden Crown mines shall be subject to a net smelter return royalty (the "NSR") of 3% NSR payable on all proceeds of ore material mined and processed, subject to the Purchaser's right to repurchase the NSR at any time at a price of \$700,000 during the Payment Period. If, in every 6 months during the Payment Period, the amount of net revenues received by the Vendor is less than a benchmark amount of CAD\$140,000, the Vendor may have the option to accept the payment of balance in securities of the Purchaser. If the Vendor does not elect the foregoing option, the Purchaser shall still make the payment in cash for the remaining balance up to the Benchmark Amount in such 6-month period. The Purchaser will have the option to accelerate the cash payment of all or part of the Net Revenue Payment.

The parties shall negotiate in good faith and enter into definitive agreements on or prior to June 22, 2016. The definitive agreements shall incorporate the principal terms of this LOI and contain customary provisions that are similar to the transactions contemplated herein. This transaction is subject to TSX.V approval.

The acquisition includes two properties with mineral resources, namely the Lexington and the Golden Crown. The Lexington property is comprised of a series of contiguous patented Crown-granted properties, located mineral claims, reverted Crown-granted mineral claims, and mining leases covering an area of approximately 2,060 hectares. Part of the property is subject to a 2.5% net profits interest. The claims are located within the western half of the Greenwood Mining Division in south central British Columbia, Canada. This property covers the Lexington deposit, developed as an underground copper-gold mine by Merit Mining Corp. with production for 9 months in 2009 of 5,418 ounces gold, 3,196 ounces silver and 861,281 pounds of copper (Huakan Mining International Inc.). The remaining resource estimate, based on a total of 232 drill holes, is given in the table below.

Also included in the acquisition is the nearby Golden Crown property. The Golden Crown property is composed of a number of contiguous claims totalling approximately 1,017 hectares. The Golden Crown claims are located 4 kilometres east southeast of Greenwood, BC and 1 kilometre south of the historic Phoenix open pit. Huakan owns 100% interest in the Golden Crown Property subject to various underlying royalties. Infrastructure on the property includes a mill rated at 200 tonnes per day

capacity, waste disposal area and tailing facilities, all fully permitted and under care and maintenance since operations ceased. This mill was constructed by Merit Mining in 2008 to process material from the Lexington mine. On the Golden Crown property, small scale historic underground gold-copper production took place in the early 1900's. In 1985, a 1,070 metre long exploration drift was developed to access the multi-vein system. A total of 229 surface drill holes and 53 underground drill holes have been completed on this property in various programs.

P&E Mining Consultants Inc. was recently engaged by Golden Dawn to update the Lexington and Golden Crown resource estimates on behalf of Huakan as indicated in the tables below.

Table of Updated Resource Estimates for the Greenwood Gold Properties (February 1, 2016).

Lexington Deposit Resources				
Cut-Off 3.50 g/t Au Eq		Au	Cu	Au Eq
Classification	Tonnes	g/t	%	Oz.
Measured	58,600	7.71	1.30	18,200
Indicated	295,800	6.65	1.03	77,900
Measured + Indicated	354,400	6.82	1.08	96,100
Inferred	41,300	5.56	0.95	9,300

Golden Crown Deposit Resources				
Cut-Off 3.50 g/t Au Eq		Au	Cu	Au Eq
Classification	Tonnes	g/t	%	Oz.
Indicated	135,200	12.07	0.63	56,600
Inferred	62,100	10.36	0.54	22,300

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. It is noted that no specific issues have been identified as yet.

(2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

(3) The mineral resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.

(4) The 3.5 g/t AuEq resource cut-off grade was derived from the approximate Jan 31/16 two year trailing average Au price of US\$1,200/oz and Cu price of US\$2.75/lb, US\$/C\$ exchange rate of 0.83, 90% & 85% respective Au and Cu process recoveries, C\$35/t process cost, C\$75/t mining cost and C\$30/t G&A cost. AuEq g/t = Au g/t + (Cu% x 1.5)

(5) Effective date of the resource estimate is Feb 1, 2016.

Golden Dawn intends to complete due diligence on the Greenwood Assets within 60 calendar days after the date of signing the LOI. This will involve a multi-disciplinary review by a number of parties on behalf of Golden Dawn. P&E Mining Consultants Inc. of Brampton, Ontario and Vancouver BC, will provide an updated Technical report to be filed within 45 days of this news release to support the updated resource estimates. P&E previously reported on the resources on both properties. APEX Geoscience Ltd. will provide a review of the existing permits, the geological setting and mineralization, the exploration potential and the status of the agreements with local First Nations groups. Mr. Frank Wright, P.Eng. will review the metallurgical process data for the two deposits and make recommendations for improvements and potential expansion of the process plant. Mr. George Sookochoff of Junior Resource Media will provide presentation materials and 3D animations. This work will be coordinated by Dr. Mathew Ball, P.Geo. as Chief Consulting Geologist for Golden Dawn.

Golden Dawn is strategically interested in the property for several reasons: the evaluation of the gold-copper mineralization reported to remain in the Lexington mine in the light of the much higher current precious metals prices; the exploration potential on both properties, including possible expansion of the Lexington deposit at depth, possible discovery of additional gold-copper resources at the Golden Crown deposit, and the potential for production from the Golden Crown deposit. In addition, there is a potential synergy with Golden Dawn's current project in the Greenwood area. The Huakan mill facility is located only 10 kilometers by road from the May Mac mine, which is located west of Greenwood, and where Golden Dawn is currently in the advanced exploration stage.

Golden Dawn recently completed surface diamond drilling on the Greenwood Precious Metal Project, 5 km west of the City of Greenwood, in the historic Boundary Mining District. The Company plans to resume work on this property with surface drilling once the snow pack has melted, to test further extensions of the Skomac vein system in the May-Mac Mine and the surrounding three historical adits located 1000 meters south of the mine. Underground exploration involving rehabilitation of the May-Mac #7 Adit and construction of underground diamond drill stations is also planned for 2016. Underground drilling will be done to accurately locate the Skomac vein and test the mineralized zones at, above, and below the 7th level of the May Mac mine. This work will identify locations for underground mine development and bulk sampling. If bulk sample material could be processed at the Huakan mill complex there would be no requirement to refurbish the May Mac mill.

Consultants Inc, an Independent Qualified Person as defined by National Instrument 43-101. An NI 43-101 updated mineral resource estimate technical report will be filed on SEDAR within 45 days of this news release.

On behalf of the Board of Directors:

Golden Dawn Minerals Inc.

"Wolf Wiese"

Wolf Wiese

Chief Executive Officer

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