Golden Dawn Completes Dewatering at Greenwood Precious Metal Project

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VANCOUVER, British Columbia, Jan. 15, 2018 (GLOBE NEWSWIRE) -- Wolf Wiese, President & CEO of Golden Dawn Minerals Inc. (TSX-V:GOM) (FRANKFURT:3G8A) (OTC:GDMRF) (the “Company” or “Golden Dawn”) provides the following update on the Greenwood Precious Metal Project, located 500 km east of Vancouver, B.C on Highway #3. The Greenwood Precious Metal Project comprises approximately 15,400 Ha., hosting 31 historic mines and three mines being actively developed by the Company.

Lexington Mine

Dewatering at the Company’s Lexington mine is now complete. The Company is pleased to report that the underground mine workings are in excellent condition with no major rock falls nor compromised ground support. Additionally, the east portal and decline, as well as the main underground haulage route, are in excellent condition. In early 2018, the west portal canopy will be refurbished with new timber. A third access to the mine, the fresh air raise, has been equipped with a new ladderway. The mechanical services shop and other on-site service buildings have been refurbished.

The next steps towards restarting operations include installation of mine services, including compressed air and water supply, electrical and ventilation, all to be serviced from the west portal. Initial technical work, including geological mapping and sampling of the exposed mineralization are scheduled to commence this month. A mine engineering consultancy is now working to produce a detailed mine plan and schedule. Following completion of these initial activities and coinciding with refurbishing the Greenwood process plant, the mining program is scheduled to provide mill feed for the plant by the 2nd quarter of this year.

The process plant will be wet commissioned when the mining activities start, to initiate production of gravity gold and gold-copper flotation concentrates. Remaining start-up costs are expected to be approximately $2 million. The project is scheduled to ramp up to full-scale production in the second half of the year.

The Company is considering the installation of an ore sorting facility to increase the grade of feed for the Greenwood Process Plant. An initial pre-concentration test was conducted in December in Kentucky, USA using material previously mined in 2008. Sorted materials have been sampled and delivered to Lakefield, Ontario for assaying, the results of which will quantify the effectiveness of this approach.

Exploration drilling at the Golden Crown property continued until December 11, 2017, with assay results for intercepts in the last 14 holes still pending. The Company plans to resume drilling northwest of the Golden Crown property along a 3 km mineralized zone onto the J.D. property, where last year’s extensive prospecting program returned high gold values over metre widths in rock samples (see news release dated October 18, 2017).

Technical disclosure in this news release has been approved by Dr. Mathew Ball, P.Geo., a Qualified Person as defined by National Instrument 43-101, and Chief Operating Officer of the Company.

Subject to regulatory approval, the Company also announces completion of a $337,500 private placement through the issuance of 1,500,000 units at a price of $0.225 per unit. Each unit consists of one common share and one transferable share purchase warrant, exercisable into common shares for two years at a price of $0.30. Quorum Capital Inc., wholly owned by the President of the Company, is the sole investor in this financing. There are no finder’s fees payable.

On behalf of the Board of Directors:

Golden Dawn Minerals Inc.

Wolf Wiese, President & Chief Executive Officer

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