



GOLDEN DAWN MINERALS INC.

TSX-V: GOM
FRANKFURT EXCHANGE: 3G8A

NEWS RELEASE

GOLDEN DAWN REPORTS POSITIVE PRELIMINARY ECONOMIC ASSESSMENT FOR GREENWOOD GOLD MINES AND MILLING COMPLEX

Pre-Tax NPV@6% of C \$32.5 million and IRR of 72.6%; Gold Production of 104,000 Ounces AuEq and Life of Mine All-In Sustaining Cash Cost of US \$820/oz

Vancouver, April 7, 2016 – Golden Dawn Minerals Inc., (TSX-V: GOM; FRANKFURT: 3G8A) (the “Company” or “Golden Dawn”) announces the results of an updated Preliminary Economic Assessment (“PEA”) prepared pursuant to National Instrument 43-101 on the Greenwood Gold Project, located in the Greenwood Mining Division, South Central British Columbia, 500 km east of Vancouver, Canada. Golden Dawn and Huakan International Mining Inc. (“Huakan”) previously signed a binding letter of intent to enter into an option agreement whereby Golden Dawn can acquire 100% of the project.

The PEA indicates a very positive, rapid pay-back, 5-year underground mining project at near current gold prices. The PEA was prepared by P&E Mining Consultants Inc. (“P&E”) under the direction of Eugene Puritch, P.Eng. with contributions from Frank Wright, P.Eng. At a gold-price of US \$1,250/oz and copper price of US \$3.00 per pound using an exchange rate of C \$1.00 equal US \$0.82, the project generates a pre-tax net present value (NPV) of C \$32.5 million at a 6% discount rate, and yields an Internal Rate of Return (IRR) of 72.6%. The mines are projected to produce 104,000 gold equivalent ounces over five years at an all-in life of mine sustaining cash cost of US \$820 per ounce of gold.

The PEA envisages an owner-operated, 5-year underground mine project encompassing two deposits: the Lexington-Grenoble containing 356,000 tonnes of mill feed at an average diluted grade of 5.48 grams/tonne gold (g/t Au) and 0.90% (Cu), and the Golden Crown with 191,000 tonnes at an average diluted grade of 8.67 g/t Au and 0.48% Cu. The PEA study incorporates expanding the existing 200 tonnes per day (tpd) mill to 400 tpd after the first year of operation. Annual gold production is projected to be 27,000 gold equivalent ounces at the expanded 400 tpd rate.

Golden Dawn regards this project as essentially de-risked for the following reasons:

- 91% of the resource is categorized as Measured and Indicated
- Permits exist for mining and processing
- Infrastructure is in place and intact, including mining equipment, processing plant and tailings facility
- Minimal pre-production development required to commence mine production

Golden Dawn remains confident that additional nearby resources can be identified. The PEA study outlines opportunities to further enhance economics (see below). The current mineral resource at the Lexington-Grenoble deposit remains open along trend and possible parallel zones are indicated. At the Golden Crown deposit, the main King vein is potentially open at depth and several untested gold in soil anomalies remain to be evaluated over a 4km strike length on the property. There are also known satellite deposits in the region that can be considered once operations are re-established.

PEA HIGHLIGHTS (all amounts are in Canadian dollars unless otherwise indicated; base case is stated using a gold price of US \$1,250 per ounce and an exchange rate of C \$1.00 equal US \$0.82:

- NPV of C \$32.5 million at a 6% discount rate and an IRR of 72.6% before taxes and mining duties.
- NPV of C \$23.2 million at a 6% discount rate and an IRR of 61.5% after taxes and mining duties
- Mine life of 5 years with peak production of 27,000 Au Eq ounces per annum (Years 3 and 4) and Life of Mine (LOM) production of 104,000 Au Eq ounces of gold
- Average metallurgical recoveries of 86% for gold and 87.5% for copper at Lexington-Grenoble, and 70% for gold and 82% for copper at the Golden Crown deposit.
- 356,000 tonnes at an average diluted grade of 5.48 g/t gold and 0.90 % copper to be mined from the Lexington-Grenoble deposit, and 191,000 tonnes at an average diluted grade of 8.67 g/t gold and 0.48 % copper to be mined from the Golden Crown deposit.
- All-in sustaining costs of US \$820/oz (including royalties) for LOM, generating an Operating margin of US \$430/oz.
- Initial capital costs of C \$9.6 million (including a 15% contingency)
- Payback of 1.9 years pre-tax and post-tax
- Gross Revenue of C \$157.8 million and Operating Cash-flow of C \$44.7 million

GOM believes that with additional exploration, delineation drilling and project engineering, the project will be further enhanced.

P&E Mining Consultants Inc. was engaged by Golden Dawn to produce an updated independent Preliminary Economic Assessment for the Greenwood Gold Project. A technical report following the guidelines of the Canadian Securities Administrators' National Instrument 43-101 will be filed on SEDAR and on the Company website within 45 days of this news release.

This PEA is based upon recently updated resource estimates of the Lexington-Grenoble and Golden Crown Deposits. The Greenwood Gold Project has an IRR of 72.6% and an NPV of C \$32.5 million (Pre-Tax) at a discount rate of 6 percent, based on gold and copper metal prices of US \$1,250 per ounce Au and US\$3.00 per pound copper prices and exchange rate of C \$1.00 = US \$0.82 USD. Smelting, refining, and royalty costs per tonne mined were C \$5.92 per tonne and site operating costs of C \$145.70 per tonne, for total operating costs of C \$151.62 per tonne. Preproduction capital expenditures are estimated at C \$9.6 million with a projected payback of 1.9 years. Site operating costs are estimated at

US \$631 per gold equivalent ounce and total cash operating costs are estimated at US \$820 per gold equivalent ounce.

The operating and mine production plan is initially at the rate of 200 tonnes per day (72,000 tonnes per annum) for the first twelve months of operation and expanded to 400 tonnes per day (144,000 tonnes per annum) in the second year of operation following a permitting process to expand the Lexington-Grenoble Mine and Greenwood mill and tailings facility to the higher rate and permit Golden Crown for production and acceptance into the tailings facility. The operation is anticipated to sustain a mine life of five years based on the Lexington-Grenoble Mine and Golden Crown resources. Mine life could be extended several years as resources are added from exploration success on the conceptual mineralized targets at the Lexington-Grenoble and Golden Crown Mines and other nearby deposits.

A central mill and tailings facility exist on the Golden Crown Property located 1.5 km from the Golden Crown Deposit. The mill is designed to use conventional crushing, grinding, gravity and flotation to produce both doré and a gold-rich copper concentrate. It is expected that fifty percent of the gold will be recovered by gravity with the balance in the copper concentrate.

The reader is advised that the PEA summarized in this press release is intended to provide an initial, high-level review of the project potential and design options. The PEA mine plan and economic model include the use of Inferred resources. Inferred resources are considered to be too speculative to be used in an economic analysis except as allowed for by Canadian Securities Administrators' National Instrument 43-101 (NI 43-101) in PEA studies. There has been insufficient exploration to define the inferred resources as an indicated or measured mineral resource, however, it is reasonably expected that the majority of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. There is no guarantee that any part of the mineral resources discussed herein will be converted into a mineral reserve in the future.

PEA Summary (Reported in 2016 Canadian \$, except where noted)

Total Material Mined (tonnes)	547,000
Average Diluted Grade of Material (g/t Au)	6.59
Average Diluted Grade of Material (% Cu)	0.76
Total Gold Contained (oz.)	116,000
Total Produced Au Eq oz. *	104,000
Gold Recovery (%) Lexington-Grenoble/Golden Crown	86% / 70%
Copper Recovery (%) Lexington-Grenoble/Golden Crown	87.5% / 82%
Total Initial Capital Cost (including 15% contingency)**	\$9.6 million
Sustaining Capital (including 15% contingency)	\$23.9 million
Total Life of Mine Capital (including 15% contingency)	\$33.5 million

* *gold equivalent grade equal = Au g/t + (1.65x Cu %)*

** *Initial Capital includes acquisition cost of \$C2.9 million*

Unit Operating Costs (per tonne mined and milled) \$C	200 TPD	400TPD
Mining (Lexington-Grenoble/Golden Crown)	\$76.54/\$99.84	\$69.03/\$92.33
Ore Transportation (Lexington-Grenoble/Golden Crown)	\$2.50/\$0.68	\$2.50/\$0.68
Sustaining Mine Development	\$14.17	\$14.17
Processing (200/400 tpd)	\$44.31	\$27.59
General & Administrative	\$31.39	\$15.69
Total Operating Cost/tonne (Lexington-Grenoble/Golden Crown)	\$168.91/\$190.39	\$128.98/\$150.46

Summary Economics at US\$1,250/oz. Gold:

Total LOM Pre-Tax Cash Flow (C\$M)	\$44.7
Discount Rate	6%
Pre-Tax NPV (C\$M)	\$32.5
Pre-Tax IRR	72.6%
Pre-Tax Payback (Yrs)	1.9
Total LOM After-Tax Cash Flow (C\$M)	\$32.2
After-Tax NPV (C\$M)	\$23.3
After-Tax IRR	61.5%
After-Tax Payback (Yrs)	1.9

	US \$*	C \$
LOM Cash Cost (\$/oz) (OPEX ONLY)	\$631	\$769
LOM Cash Cost Incl. OPEX and CAPEX (\$/oz)**	\$820	\$1,000

*Exchange rate of C \$1.00 equal US \$0.82 was used.

Gold Price Sensitivity

Gold Price US\$/oz	\$1,150	\$1,250	\$1,350
After-Tax IRR	47.4%	61.5%	74.7%
After-Tax NPV M\$CDN	\$16.7	\$23.2	\$29.0

Opportunities to Enhance Value

Future studies are anticipated to evaluate alternate development scenarios that would be used to enhance the grade delivered and recovered. These studies include pre-concentration, contract mining, controlled long hole mining, mine equipment leasing, and resource expansion. Both deposits have high potential for resource expansion. The Lexington-Grenoble deposit remains open along strike and may contain parallel zones. On the Golden Crown, priority gold in soil anomalies outside and nearby the current resource remain to be drill-tested.

PEA DETAILS

Mineral Resources:

The PEA is based on a Mineral Resource Estimate recently completed by P&E Mining Consultants Inc. (see table below). The Lexington-Grenoble Property resource is based on a drilling database comprised of 84 percussion and 552 diamond drill holes, totalling 45,817 m of drilling by various companies. Additionally, a total of 54,237 tonnes of ore were mined from the underground Lexington-Grenoble Mine by Merit Mining Corp. from April to December 2008 and processed through the Greenwood gravity-flotation plant, producing 5,486 ounces gold, 3,247 ounces silver and 860,259 pounds of copper. Since then, the mine has ceased to operate due to low metal prices and has been kept on care and maintenance.

The Golden Crown Property drilling totalled 19,016 m in 289 diamond drill holes, done since 1968 by various groups, focussed on the vein system comprising the Golden Crown Mineral Resource Estimate. For further details, see the press release of March 24, 2016 and the subsequent National Instrument 43-101 Technical Report.

LEXINGTON-GRENOBLE DEPOSIT UPDATED MINERAL RESOURCE ESTIMATE Cut-Off 3.50 g/t AuEq					
Classification	Tonnes	Au g/t	Cu %	AuEq g/t	AuEq oz
Measured	58,000	6.98	1.10	8.63	16,100
Indicated	314,000	6.38	1.04	7.94	80,200
Measured & Indicated	372,000	6.47	1.05	8.05	96,300
Inferred	12,000	4.42	1.03	5.96	2,300

GOLDEN CROWN DEPOSIT UPDATED MINERAL RESOURCE ESTIMATE
Cut-Off 3.50 g/t AuEq

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

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 March 24, 2016.

Capital and Operating Costs Summary:

Capital Costs	Pre-Prod (C\$000)	Sust/Clsr (C\$000)	Total (C\$000)
Capitalized Mine Development	\$600	\$19,608	\$20,208
Permitting & Engineering	\$200	\$0.0	\$200
Site	\$1,180	\$0.0	\$1,180
Mining Equipment (incl. 15% contingency)	\$7,652	\$5,920	\$13,572
Salvage		-\$2,000	-\$2,000
Closure (incl. 30% contingency)	\$0.0	\$350	\$350
Total Capital Costs	\$9,632	\$23,878	\$33,510

Project Infrastructure and Indirects

The project envisions the following key items to support re-starting and expansion of the existing mine and process facilities:

- De-watering of the Lexington-Grenoble Mine
- Purchase and refurbish existing underground mining equipment
- Raise tailings dam and/or possible installation of dry stack tailings system
- Refurbish crusher and mill
- Install additional ball mill

The initial pre-production capital cost is C \$9.6 million and the LOM sustaining capital cost is C \$23.9 million to be spent after the pre-production period. The General and Administrative operating costs are estimated to be approximately C \$2.3 million per year.

Environment, Reclamation and Stakeholder Engagement

Comprehensive environmental baseline studies were conducted by Huakan/Merit Mining Corp. for the Lexington-Grenoble Property in advance of the original permitting of the mine. Huakan continues to monitor the Lexington-Grenoble site for waste rock dump stability and surface water quality, as well as complying with required annual reports to the Ministry of Energy and Mines for the mine site. Huakan maintains a C \$215,000 bond with the government of British Columbia in safekeeping for the costs of reclaiming the mine site and area upon closure.

Huakan also maintains 24/7 security at the Greenwood (Zip) Mill and tailing facility as part of the Care and Maintenance for the site. Huakan continues to monitor the mill and tailings site weekly for tailings impoundment stability, water management and surface water quality, and submits an annual Reclamation Report to the Ministry of Energy and Mines for the site. Huakan also submits annual Dam Safety Inspection reports and in 2015 a Dam Safety Review Report, documenting the condition and monitoring of the impoundment. Huakan maintains a C \$235,000 bond with the government of British Columbia in safekeeping for the costs of reclaiming the mill and tailings facility and area upon closure.

Concurrent with the permitting Merit Mining conducted consultation with the Osoyoos Indian Band. This consultation culminated in Merit signing an Impacts and Benefits Agreement with the Osoyoos Indian Band in May 2008. First Nation consultation and engagement would resume.

Golden dawn is committed to working with stakeholders to ensure that concerns are addressed. A closure and reclamation plan will be prepared for the project proposal submission. Upon acquisition, financial assurance in the amount of C \$450,000 must be paid to Huakan for the funds already posted for closure and reclamation works. In the PEA, the estimate for the ultimate closure cost is estimated at \$800,000, including a 30% contingency, and is based on the owner-operator closing the mine and completing the reclamation activities.

PEA CONTRIBUTORS

- P&E Mining Consultants Inc., Lead Author, Overall Mine and Project Design, Resource Estimation
- Frank Wright, P.Eng. Metallurgical Consultant

Qualified Persons

Dr. Mathew Ball, P.Geo., Chief Operating Officer, is the Company's designated QP for this news release within the meaning of National Instrument 43-101 and has reviewed and validated that the information contained in the release is consistent with that provided by the QPs responsible for the PEA.

Technical disclosure in this news release has also been reviewed and approved by Mr. Eugene Puritch, P.Eng. of P&E Mining Consultants Inc, an Independent Qualified Person as defined by National Instrument 43-101. A National Instrument 43-101 PEA 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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