



GOLDEN DAWN MINERALS INC.

TSX-V: GOM
FRANKFURT EXCHANGE: 3G8A

NEWS RELEASE

GOLDEN DAWN SIGNS OPTION AGREEMENT WITH HUAKAN AND SOLICITS SECURED DEBENTURE FUNDING FOR GREENWOOD PROJECT

Vancouver, April 12, 2016 - Golden Dawn Minerals Inc. (TSX-V: GOM; FRANKFURT: 3G8A) (the "Company" or "Golden Dawn") announces an option agreement has been executed between the Company and Huakan International Mining Ltd., replacing the binding LOI signed Feb, 23rd, 2016. The terms and conditions of the option agreement are identical to those agreed to in the LOI (see news release of Feb, 24th, 2016).

On April 7th, 2016 the company released the findings of a PEA authored by P&E Mining Consultants INC. Capex for the project totals CDN \$9,600,000, which includes both the acquisition costs of (cash) CDN \$3,345,000 and CDN \$ 6,245,000 and the working capital needed to commence mining from the Lexington Mine and processing at the Greenwood Mill facilities within 6 months of the Option agreement completion at the end of June, 2016. The PEA will be filed on SEDAR no later than May 23rd, 2016. View project map at: <http://www.goldendawnminerals.com/wp-content/uploads/2016/04/Property-Map.jpg>



To finance the acquisition and capital cost for the Project the company is offering a Debenture with the following terms.

TERM SHEET SECURED DEBENTURE WITH GOLD CONVERSION OPTION

- Issuer:** Golden Dawn Minerals Inc. (the "Company")
- Offering:** Special Warrants at a price of USD \$100.00 per Special Warrant (with a minimum of 75 subscribers each holding at least \$1,000 in Debentures) up to a maximum of USD \$10,000,000.00 of Special Warrants.
- Spc. Warrants:** Each Special Warrant is comprised of one Debenture with a face value of USD \$100 and 100 Units (at a deemed price (value) of CDN. \$0.15 per Unit).
- Units:** Each Unit is comprised of 1 Common Share and 1 share purchase Warrant with each Warrant exercisable at any time into a Common Share of the Company at a price of CDN \$0.40 per Common Share for a period of 2 years after the date of issuance.
- Security:** The Debentures shall be secured by all of the Greenwood assets which will be 100% owned by the Company, post-closing of the first tranche of the financing. The security

consists of the Lexington and Golden Crown Mines and mineral claims, the processing mill, all ancillary equipment, real estate and all claims of the Greenwood Gold Project.

- Maturity:** 5 years from the date of issuance of the Debentures.
- Coupon:** 8% per annum, paid semi-annually from the date of issuance of the Debentures.
- Price:** USD \$100.00 per Special Warrant.
- Listing:** The Company will use its best efforts to list the Debentures on the TSX.V within 6 months of the date of issuance of the Debentures.
- Escrow:** GOM will deposit the proceeds from the Offering in escrow with a law firm. The escrowed funds will be held by such law firm and only be released upon presentation of appropriate invoices as proof of expenditures on the Greenwood properties including the development of the mineral claims, equipment purchases, operating expenditures, and administrative, regulatory and disclosure expenditures.

Gold Repayment Option:

Debenture holders will have a right to require repayment of their principal amount of the Debentures in gold. This repayment option will be available at any time after 36 months from the date of issuance of the Debentures for those debenture holders that elect to have at least USD\$80,000 of their Debentures repurchased by the Company. Such Debentures shall be repurchased at a price equal to USD \$1295.00 per ounce or USD \$41,774.20 per kilogram of 99.9% registered purity gold. Debenture holders wishing to exercise this option will need to provide the Company with a minimum of 90 days' notice.

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 technical information contained in the release is consistent with that provided by the QPs responsible for the PEA.

It is expected the first tranche of the Offering will close by May 31st, 2016 and the second tranche by July 15th, 2016, for up to US \$10,000,000 accumulative.

The Debenture financing is subject to TSX.V approval.

On behalf of the Board of Directors:

GOLDEN DAWN MINERALS INC.

"Wolf Wiese"

Wolf Wiese

Chief Executive Officer

For further information, please contact:

Corporate Communications

604-221-8936

allinfo@goldendawnminerals.com

THIS PRESS RELEASE WAS PREPARED BY MANAGEMENT WHO TAKES FULL RESPONSIBILITY FOR ITS CONTENTS. NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE. THIS DOCUMENT CONTAINS CERTAIN FORWARD LOOKING STATEMENTS WHICH INVOLVE KNOWN AND UNKNOWN RISKS, DELAYS, AND UNCERTAINTIES NOT UNDER THE COMPANY'S CONTROL WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM THE RESULTS, PERFORMANCE, OR ACHIEVEMENTS IMPLIED BY THESE FORWARD LOOKING STATEMENTS. WE SEEK SAFE HARBOR.