

APPENDIX “J”
COMBINED INTERIM CARVE-OUT FINANCIAL STATEMENTS FOR THE PIRQUITAS
MINE FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

(See Attached)

Pirquitas Mine

Condensed Combined Interim Carve-out Financial Statements

For the three and nine months ended September 30, 2015 and 2014
(unaudited)

Pirquitas Mine

Condensed Combined Interim Carve-out Financial Statements for the three and nine months ended September 30, 2015

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Pirquitas Mine

Condensed Combined Interim Carve-out Statements of Financial Position

(expressed in thousands of United States dollars)

	Note	September 30 2015 \$	December 31 2014 \$
Current assets			
Cash and cash equivalents		46,772	52,535
Trade and other receivables	3	36,884	42,393
Inventory	4	54,578	60,620
Amounts due from related party		3,570	2,310
		141,804	157,858
Non-current assets			
Property, plant and equipment	5	50,028	109,268
Value added tax receivable	7	30,103	27,263
Non-current inventory	4	2,400	2,404
Total assets		224,335	296,793
Current liabilities			
Trade and other payables	8	27,061	23,299
Provisions	9	67,358	59,226
Debt		3,715	5,922
Amounts due to related party		43,129	42,133
		141,263	130,580
Non-current liabilities			
Non-current provisions	9	34,003	32,798
Total liabilities		175,266	163,378
Equity			
Owner's net investment		522,039	482,669
Other reserves		(24,358)	(24,358)
Retained (deficit)		(448,612)	(324,896)
Total equity attributable to our owner		49,069	133,415
Total liabilities and equity		224,335	296,793

The accompanying notes are an integral part of the condensed combined carve-out financial statements

Approved by the Audit Committee of Silver Standard Resources Inc. and authorized for issue on November 13, 2015

"Richard D. Paterson"

Richard D. Paterson, Director

"Beverlee F. Park"

Beverlee F. Park, Director

Pirquitas Mine

Condensed Combined Interim Carve-out Statements of Comprehensive (Loss)

(expressed in thousands of United States dollars, except per share amounts)

	Note	Three months ended September 30		Nine months ended September 30	
		2015	2014	2015	2014
		\$	\$	\$	\$
Revenue		33,355	30,874	115,370	100,871
Cost of sales	10	(48,039)	(31,182)	(125,682)	(87,497)
(Loss) Income from mine operations		(14,684)	(308)	(10,312)	13,374
General and administrative expenses		(359)	(680)	(830)	(897)
Exploration, evaluation and reclamation expenses		(994)	(90)	(4,110)	(236)
Impairment charges	6	(34,490)	—	(34,490)	—
Operating (loss) income		(50,527)	(1,078)	(49,742)	12,241
Interest earned and other finance income		194	224	412	1,548
Interest expense and other finance costs		(1,200)	(2,205)	(3,974)	(3,958)
Other (expenses)		(140)	(26)	(850)	(758)
Foreign exchange (loss)		(2,020)	(2,050)	(4,758)	(19,927)
(Loss) before tax		(53,693)	(5,135)	(58,912)	(10,854)
Income tax (expense)		(1,227)	(783)	(5,801)	(5,196)
Total comprehensive (loss) income and net (loss) income attributable to owner		(54,920)	(5,918)	(64,713)	(16,050)

The accompanying notes are an integral part of the condensed combined carve-out financial statements

Pirquitas Mine

Condensed Combined Interim Carve-out Statements of Changes in Equity and Owner's Interest

(expressed in thousands of United States dollars)

	Owner's net investment	Other reserves	Retained (deficit)	Total equity
	\$	\$	\$	\$
Balance, January 1, 2014	476,260	(24,358)	(177,758)	274,144
Equity contribution	5,121	—	—	5,121
Dividends paid	—	—	(50,035)	(50,035)
Total comprehensive (loss) for the period	—	—	(16,050)	(16,050)
Balance, September 30, 2014	481,381	(24,358)	(243,843)	213,180
Balance, January 1, 2015	482,669	(24,358)	(324,896)	133,415
Equity contribution	5,567	—	—	5,567
Owner's income	33,803	—	(33,803)	—
Dividends paid	—	—	(25,200)	(25,200)
Total comprehensive (loss) for the period	—	—	(64,713)	(64,713)
Balance, September 30, 2015	522,039	(24,358)	(448,612)	49,069

The accompanying notes are an integral part of the condensed combined carve-out financial statements

Pirquitas Mine

Condensed Combined Interim Carve-out Statements of Cash Flows

(expressed in thousands of United States dollars)

	Note	Nine months ended September 30	
		2015	2014
		\$	\$
Operating activities			
Net (loss) for the period		(64,713)	(16,050)
Adjustments for:			
Depreciation, depletion and amortization		34,092	16,757
Net finance expense		3,562	1,101
Impairment charges and inventory write-downs		42,206	—
Other expense		754	519
Income tax expense		5,801	5,196
Non-cash foreign exchange loss (gain)		1,813	14,218
Net changes in non-cash working capital items	13	8,139	21,621
Cash generated by operating activities before value added taxes, interest and income taxes (paid) recovered		31,654	43,362
Value added taxes (paid)		(12,356)	(13,059)
Value added taxes recovered		10,730	23,218
Interest (paid)		(1,130)	—
Income taxes (paid)		—	(5,901)
Cash generated by operating activities		28,898	47,620
Investing activities			
Purchase of property, plant and equipment		(6,267)	(10,323)
Production stripping capitalized costs		—	(11,446)
Expenditures on exploration properties		—	(900)
Interest received		62	1,428
Cash (used) in investing activities		(6,205)	(21,241)
Financing activities			
Payment of dividends		(25,200)	(50,035)
Advances from related parties		—	2,000
Advances to / repayment of related parties		(937)	(24,368)
Repayment of debt		(1,649)	—
Cash (used) in financing activities		(27,786)	(72,403)
Effect of foreign exchange rate changes on cash and cash equivalents		(670)	(4,215)
(Decrease) in cash and cash equivalents		(5,763)	(50,239)
Cash and cash equivalents, beginning of period		52,535	81,849
Cash and cash equivalents, end of period		46,772	31,610

Supplemental cash flow information (note 13)

The accompanying notes are an integral part of the condensed combined carve-out financial statements

Pirquitas Mine

Notes to the Condensed Combined Interim Carve-out Financial Statements

For the three and nine months ended September 30, 2015

(tabular amounts expressed in thousands of United States dollars unless otherwise stated)

1. NATURE OF OPERATIONS AND BACKGROUND

The Pirquitas Mine ("we", "us" or "our") constitutes Mina Pirquitas, LLC ("MP LLC") (formerly Mina Pirquitas, Inc. ("MPI") until its conversion to a limited liability corporation on December 31, 2014), its Argentine branch, Mina Pirquitas, LLC Sucursal Argentina ("MP SA"), and the revenues, expenses, assets and liabilities from a related sales and marketing entity, a British Columbia limited partnership, directly related to the sale of concentrate from the Pirquitas Mine. MP LLC is a limited liability corporation incorporated under the laws of Delaware, United States of America. We are principally engaged in the operation of our silver mine located in Jujuy Province, Argentina.

Our address is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

On September 30, 2015, our parent company, Silver Standard Resources Inc. ("Silver Standard"), along with MP LLC, entered into an agreement (the "Agreement") with Golden Arrow Resources Corporation ("Golden Arrow") to explore, evaluate and seek to develop Golden Arrow's Chinchillas silver-lead-zinc project, located in Jujuy Province, Argentina approximately 30 kilometers from the Pirquitas Mine.

Under the terms of the Agreement, Silver Standard will evaluate Chinchillas during a period of 18 months from the signing of the Agreement (the "Preliminary Period") as a mining operation to supply feed to the Pirquitas plant beginning in the second half of 2017. Silver Standard has committed to spend a minimum of \$4,000,000 for pre-development activities. Expenditures may total up to \$12,600,000 million based on the success of the pre-development activities, including exploration, mine planning, metallurgical studies, permitting and engineering studies.

Silver Standard has agreed to pay Golden Arrow up to C\$2,000,000 during the Preliminary Period in four C\$500,000 installments with the first installment paid on signing of the Agreement and the remaining installments are conditional upon completion of project milestones.

If Silver Standard elects to proceed, it will enter into a joint venture with 1049708 B.C. Ltd. ("New GAR"), a Golden Arrow entity that, following the completion of a statutory plan of arrangement (the "Arrangement"), will be owned by Golden Arrow's current shareholders, whereby Silver Standard will be the majority partner and operator. Pursuant to the terms of the joint venture, Silver Standard would contribute all of its interest in MP LLC to the joint venture in exchange for a 75% ownership interest and New GAR (which will after the Arrangement is complete own 100% of Golden Arrow) would contribute all of its interest in Golden Arrow to the joint venture in exchange for a 25% ownership interest. Silver Standard may elect to exercise its option at any time over the Preliminary Period. Upon entering into the joint venture, Silver Standard will pay New GAR an amount equal to 25% of mine earnings generated by Pirquitas less certain expenditures for exploration (including Chinchillas pre-development expenditures), capital investment and closure costs incurred during the Preliminary Period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed combined interim carve-out financial statements are set out below.

a) Basis of preparation

The Pirquitas Mine combined carve-out financial statements, which have been prepared in connection with the Agreement, present the historical carve-out financial position, results of operations, changes in equity and cash flows of the Pirquitas Mine. The Pirquitas Mine combined carve-out financial statements have been derived from the accounting records of Silver Standard and prepared on a carve-out basis and the results do not necessarily reflect what the results of operations, financial position, or cash flows would have been had the Pirquitas Mine been a separate entity. Silver Standard's investment in the Pirquitas Mine, presented as Owner's Interest in the Pirquitas Mine combined carve-out financial statements, includes the accumulated retained earnings, other reserves and accumulated net contributions by Silver Standard. Our results are comprised of the historical operations, assets, liabilities and cash flows of MP LLC, MP SA and the revenues, expenses, assets and liabilities from a related sales and marketing entity directly related to the sale of concentrate from the Pirquitas Mine. The combined carve-out statements include a portion of Silver Standard's general and administrative expenses that are directly

Pirquitas Mine

Notes to the Condensed Combined Interim Carve-out Financial Statements

For the three and nine months ended September 30, 2015

(tabular amounts expressed in thousands of United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

related to the operation of the Pirquitas mine, including but not limited, to concentrate sales, insurance and certain exploration and technical services. Administrative expenses incurred by Silver Standard that relate to corporate oversight and are more general in nature have not been allocated to the combined carve-out statement of comprehensive loss.

These condensed combined interim carve-out financial statements should be read in conjunction with our audited combined carve-out financial statements for the year ended December 31, 2014.

These condensed combined interim carve-out financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The comparative information has also been prepared on this basis.

The accounting policies applied in the preparation of these condensed combined interim carve-out financial statements are consistent with those applied and disclosed in our audited combined carve-out financial statements for the year ended December 31, 2014, except for the application of the amendments to existing IFRSs (note 2(c)) which were effective January 1, 2015.

These statements were authorized for issue by the Audit Committee of Silver Standard Resources Inc. on November 13, 2015.

b) Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires the use of judgments and/or estimates that affect the amounts reported and disclosed in the combined carve-out financial statements and related notes. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements. The critical judgments and estimates applied in the preparation of the unaudited condensed combined interim carve-out financial statements for the nine months ended September 30, 2015 are consistent with those applied and disclosed in note 2(q) to our audited combined carve-out financial statements for the year ended December 31, 2014.

c) Pronouncement affecting our financial statements presentation or disclosure

The following new and amended IFRS pronouncement was adopted during the nine months ended September 30, 2015:

Operating segments

IFRS 8, *Operating Segments* was amended to require disclosure of the judgments made by management in aggregating operating segments, including a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The amendment was effective for annual periods commencing on or after July 1, 2014 and does not have a material impact on our combined carve-out financial statements.

Pirquitas Mine

Notes to the Condensed Combined Interim Carve-out Financial Statements

For the three and nine months ended September 30, 2015

(tabular amounts expressed in thousands of United States dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

d) Future accounting changes

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective. None of these is expected to have a significant effect on our combined financial statements, except the following set out below:

Revenue from contracts with customers

The IASB has replaced IAS 18, *Revenue* in its entirety with IFRS 15 - *Revenue from contracts with customers* ("IFRS 15") which is intended to establish a new control-based revenue recognition model and change the basis for deciding whether revenue is to be recognized over time or at a point in time. IFRS 15 is effective for annual periods commencing on or after January 1, 2017. We are currently evaluating the impact the standard is expected to have on our combined financial statements.

IFRS 9, Financial Instruments: Classification and Measurement ("IFRS 9")

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39") and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but the complete version of *IFRS 9*, issued in July 2014, moved the mandatory effective date to January 1, 2018.

In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. We will quantify the effect in conjunction with the other phases, when the final standard, including all phases, is issued.

Amendments

Amendments to standards and interpretations include the following:

IFRS 7, *Financial instruments: Disclosure* ("IFRS 7"): IFRS 7 was amended to require additional disclosures on transition from IAS 39 to IFRS 9. IFRS 7 is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on our combined financial statements.

Pirquitas Mine

Notes to the Condensed Combined Interim Carve-out Financial Statements

For the three and nine months ended September 30, 2015

(tabular amounts expressed in thousands of United States dollars unless otherwise stated)

3. TRADE RECEIVABLES AND OTHER ASSETS

	September 30, 2015	December 31, 2014
	\$	\$
Trade receivables	27,025	26,390
Tax receivables	1,380	1,438
Value added tax receivables (note 7)	2,787	8,002
Prepayments and deposits	4,153	3,540
Other receivables	1,539	3,023
	36,884	42,393

We expect full recovery of the trade receivables amounts outstanding and, therefore, no allowance has been recorded against these receivables. No trade receivables are past due and all are expected to be settled within twelve months.

We do not hold any collateral for any receivable amounts outstanding at September 30, 2015 or December 31, 2014.

4. INVENTORY

	September 30, 2015	December 31, 2014
	\$	\$
Current:		
Finished goods	14,857	24,764
Stockpiled ore	19,425	17,896
Materials and supplies	20,296	17,960
	54,578	60,620
Non-current:		
Materials and supplies	2,400	2,404
	56,978	63,024

During the nine months ended September 30, 2015, we wrote-down stockpiled ore to its net realizable value ("NRV"), recording a charge of \$7,716,000. The cost of inventory held at its NRV at September 30, 2015 was \$19,425,000 (December 31, 2014 - \$Nil).

Pirquitas Mine

Notes to the Condensed Combined Interim Carve-out Financial Statements

For the three and nine months ended September 30, 2015

(tabular amounts expressed in thousands of United States dollars unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise the following:

	September 30, 2015				Total
	Plant and equipment	Assets under construction	Mineral properties	Exploration and evaluation assets	
Cost					
Balance, January 1, 2015	237,766	14,462	29,917	900	283,045
Additions	49	7,035	—	—	7,084
Disposals and reclassifications	(571)	—	—	—	(571)
Impairment charges (note 6)	(34,490)	—	—	—	(34,490)
Transfers	19,249	(19,249)	—	—	—
Balance, end of period	222,003	2,248	29,917	900	255,068
Accumulated depreciation					
Balance, January 1, 2015	(143,860)	—	(29,917)	—	(173,777)
Charge for the year	(31,596)	—	—	—	(31,596)
Disposals	333	—	—	—	333
Balance, end of period	(175,123)	—	(29,917)	—	(205,040)
Net book value at September 30, 2015	46,880	2,248	—	900	50,028

	December 31, 2014				Total
	Plant and equipment	Assets under construction	Mineral properties	Exploration and evaluation assets	
Cost					
Balance, January 1, 2014	257,297	10,337	34,160	—	301,794
Additions	2,190	10,122	13,172	900	26,384
Disposals and reclassifications	(4,883)	—	—	—	(4,883)
Impairment charges	(22,835)	—	(17,415)	—	(40,250)
Transfers	5,997	(5,997)	—	—	—
Balance, end of period	237,766	14,462	29,917	900	283,045
Accumulated depreciation					
Balance, January 1, 2014	(117,205)	—	(25,084)	—	(142,289)
Charge for the year	(30,665)	—	(4,833)	—	(35,498)
Disposals	4,010	—	—	—	4,010
Balance, end of period	(143,860)	—	(29,917)	—	(173,777)
Net book value at December 31, 2014	93,906	14,462	—	900	109,268

Pirquitas Mine

Notes to the Condensed Combined Interim Carve-out Financial Statements

For the three and nine months ended September 30, 2015

(tabular amounts expressed in thousands of United States dollars unless otherwise stated)

6. IMPAIRMENT OF NON-CURRENT ASSETS

Silver prices and respective long term forecasts experienced a significant decline since July 2015, ending September 30, 2015 at \$14.65 per ounce of silver, which was an indicator of potential impairment of the carrying value of our non-current assets. A similar downward trend in silver prices had also occurred during 2014. As a result, at both September 30, 2015 and December 31, 2014, we assessed the recoverable amount of the Pirquitas Mine, which has been identified as a cash-generating unit ("CGU").

Impairment testing on the Pirquitas Mine

In both impairment assessments, the recoverable amount of the Pirquitas Mine was determined to be the fair value less costs to dispose ("FVLCTD"), which is based upon the CGU's estimated future after-tax cash flows. The after-tax cash flows were determined based on life-of-mine ("LOM") after-tax cash flow projections, which incorporate our estimates of forecast metal prices, production based on current estimates of recoverable Mineral Reserves and Mineral Resources, exploration potential, future operating costs and capital expenditures, inflation, and long-term foreign exchange rates. Metal prices included in the cash flow projections were based on market consensus forecasts. Projected cash flows are discounted using an estimated weighted average cost of capital of a market participant adjusted for asset specific risks. Management's estimate of the FVLCTD is classified as level 3 in the fair value hierarchy.

Significant assumptions and impact

Pricing

For the September 30, 2015 ("Q3 2015") and December 31, 2014 ("Q4 2014") impairment assessments, the real silver metal price assumptions were as follows:

Silver price assumptions	2015	2016	2017
Q3 2015	\$15.75	\$15.59	\$16.86
Q4 2014	\$17.50	\$18.50	\$19.00

Inflation and foreign exchange

Argentina's current inflationary environment continues to be elevated with the Argentine peso experiencing significant devaluation. A key assumption in the Pirquitas Mine's LOM after-tax cash flow projections was that total operating costs increased by inflation would be largely offset by a devaluation of the Argentine peso. Should this assumption regarding the future macroeconomic situation in Argentina change, and sustained inflation continue, without a commensurate change in the foreign exchange rate, the estimated recoverable amount could be adversely impacted.

Discount rate

The pre-tax discount rate adjusted for asset specific risks used for the Q3 2015 impairment assessment was 10% (Q4 2014 - 10%).

At Q3 2015, the recoverable amount of \$110,777,000 (Q4 2014 - \$180,007,000) was lower than the carrying value of the CGU and therefore we recorded an impairment charge of \$34,490,000 (Q4 2014 - \$40,250,000) before tax, (\$34,490,000 net of tax (Q4 2014 - \$40,250,000)) against the carrying value of the Pirquitas Mine and its plant and equipment.

Sensitivity

Average silver prices would have to increase by approximately 15% (Q4 2014 - 12%) for the remaining LOM to be break-even. In addition, due to the short remaining mine life, the assessment of FVLCTD is not materially sensitive to a change in discount rate.

Pirquitas Mine

Notes to the Condensed Combined Interim Carve-out Financial Statements

For the three and nine months ended September 30, 2015

(tabular amounts expressed in thousands of United States dollars unless otherwise stated)

7. VALUE ADDED TAX RECEIVABLE

	September 30, 2015	December 31, 2014
	\$	\$
Current	2,787	8,002
Non-current	30,103	27,263
	32,890	35,265

Value added tax ("VAT") paid in Argentina became recoverable under Argentina law once the mine reached the production stage and we apply to the Argentina government to recover the applicable VAT on an ongoing basis. There have, at times, been significant delays in obtaining final approvals and, therefore, the collection of VAT and the classification reflects best estimates of timing of recoveries. Despite the procedural delays, we believe that the remaining balance is fully recoverable and have not provided an allowance.

The VAT receivables balance in Argentina is denominated in Argentine pesos. Accordingly, foreign currency fluctuations could materially impact the value of the VAT receivables in U.S. dollars.

8. TRADE AND OTHER PAYABLES

	September 30, 2015	December 31, 2014
	\$	\$
Trade payables	11,293	11,936
Accrued liabilities	15,768	11,363
	27,061	23,299

Pirquitas Mine

Notes to the Condensed Combined Interim Carve-out Financial Statements

For the three and nine months ended September 30, 2015

(tabular amounts expressed in thousands of United States dollars unless otherwise stated)

9. PROVISIONS

	September 30, 2015		December 31, 2014	
	Current	Non-current	Current	Non-current
	\$	\$	\$	\$
Export duties on silver concentrate ⁽¹⁾	64,190	—	56,058	—
Close down and restoration provision ⁽²⁾	3,168	34,003	3,168	32,798
	67,358	34,003	59,226	32,798

- ⁽¹⁾ We entered into a fiscal stability agreement (the “Fiscal Agreement”) with the Federal Government of Argentina in 1998 for production from the Pirquitas Mine. In December 2007, the National Customs Authority of Argentina (Dirección Nacional de Aduanas) levied an export duty of approximately 10% from concentrates for projects with fiscal stability agreements pre-dating 2002 and the Federal Government has asserted that the Pirquitas Mine is subject to this export duty. We have challenged the legality of the export duty applied to silver concentrates and the matter is currently under review by the Federal Court (Jujuy) in Argentina.

The Federal Court (Jujuy) granted an injunction in our favor effective September 29, 2010 that prohibited the Federal Government from withholding the 10% export duty on silver concentrates (the “Injunction”), pending the decision of the courts with respect to our challenge of the legality of the application of the export duty. The Injunction was appealed by the Federal Government but upheld by each of the Federal Court of Appeal (Salta) on December 5, 2012 and the Federal Supreme Court of Argentina on September 17, 2013. The Federal Government also appealed the refund we claimed for the export duties paid before the Injunction, as well as matters of procedure related to the uncertainty of the amount reclaimed; however, on May 3, 2013, such appeal was dismissed by the Federal Court of Appeal (Salta). In September 2014, the Federal Tax Authority in Argentina filed an application with the Federal Court (Jujuy) to lift the Injunction and require payment of the export duty and payment of applied interest charges. We filed a response to such application on October 14, 2014 and a decision is pending.

As of September 30, 2015, we have paid \$6,646,000 in export duties, against which we have filed for recovery. In accordance with the Injunction, we have not been paying export duties on silver concentrates but continue to accrue export duties, with no accrual for interest charges, and have recorded a corresponding increase in cost of sales in the relevant period. The application of interest charges is uncertain, but if applied from the date each duty was levied and based on current U.S. dollar rates, such charges were estimated to be in the range of \$5.3 million to \$8.9 million. The final amount of export duties and interest, if any, to be paid or refunded depends on a number of factors including the outcome of litigation. Changes in our assessment of this matter could result in material adjustments to our combined carve-out statement of (loss) income.

- ⁽²⁾ The changes in the close down and restoration provision during the nine months ended September 30, 2015 and the year ended December 31, 2014 were as follows:

	September 30, 2015	December 31, 2014
	\$	\$
Balance, January 1	35,966	33,417
Liabilities settled during the period	(1,105)	(530)
Accretion expense	2,310	3,079
Balance, end of period	37,171	35,966
Less: current portion of close down and restoration provision	(3,168)	(3,168)
Non-current close down and restoration provision	34,003	32,798

Pirquitas Mine

Notes to the Condensed Combined Interim Carve-out Financial Statements

For the three and nine months ended September 30, 2015

(tabular amounts expressed in thousands of United States dollars unless otherwise stated)

10. COST OF SALES

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cost of inventory	25,375	22,399	75,271	62,480
Depletion, depreciation and amortization	11,610	5,640	34,092	16,757
Export duties (note 9)	3,338	3,143	8,603	8,260
Write-down of stockpiles (note 6)	7,716	—	7,716	—
	48,039	31,182	125,682	87,497

11. OPERATING SEGMENT

An operating segment is defined as a component:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

The Pirquitas Mine, as defined in note 1, is the sole operating segment based on the information used by the President and Chief Executive Officer of Silver Standard (who is considered to be our chief operating decision maker) to manage the business.

Segment revenue by product

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
	%	%	%	%
Silver	97	78	94	82
Zinc	2	20	5	16
Other	1	2	1	2

Segment revenue by location and major customers

Our sales are made to external customers located in various geographical areas. We had five customers who individually accounted for between 13% and 35% of total revenue during the nine months ended September 30, 2015, and six customers who individually accounted for between 10% and 19% of total revenue during the nine months ended September 30, 2014.

Non-current assets by location

As at September 30, 2015, all our non-current assets of \$82,531,000 (December 31, 2014 - \$138,935,000) were located in Argentina.

Pirquitas Mine

Notes to the Condensed Combined Interim Carve-out Financial Statements

For the three and nine months ended September 30, 2015

(tabular amounts expressed in thousands of United States dollars unless otherwise stated)

12. FAIR VALUE MEASUREMENTS

Assets and liabilities that are held at fair value are categorized based on a valuation hierarchy which is determined by the following valuation methodology utilized:

	Fair value at September 30, 2015				Fair value at December 31, 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Recurring measurements								
Trade receivables	—	27,025	—	27,025	—	26,390	—	26,390
Current debt	3,715	—	—	3,715	5,922	—	—	5,922
	3,715	27,025	—	30,740	5,922	26,390	—	32,312
Non-recurring measurements								
Inventory	—	—	56,978	56,978	—	—	63,024	63,024
Property, plant and equipment	—	—	48,383	48,383	—	—	107,414	107,414
	—	—	105,361	105,361	—	—	170,438	170,438

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Our Argentine peso-denominated loan facility is valued using the official foreign exchange rate at the end of the period.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Trade receivables from provisional invoices for concentrate sales are included in Level 2, as the basis of valuation uses quoted commodity prices.

Level 3 – inputs for an asset or liability that are not based on observable market data (unobservable inputs)

During the nine months ended September 30, 2015 and the year ended December 31, 2014, the Pirquitas Mine CGU was written down to its recoverable amount. The recoverable amount became the carrying value and the assets within the CGU will not be revalued, but certain assumptions used in the calculation of the recoverable amount are categorized as Level 3 in the fair value hierarchy.

There were no transfers into or out of Level 3 during the nine months ended September 30, 2015 or during 2014.

Pirquitas Mine

Notes to the Condensed Combined Interim Carve-out Financial Statements

For the three and nine months ended September 30, 2015

(tabular amounts expressed in thousands of United States dollars unless otherwise stated)

13. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in working capital items during the nine months ended September 30, 2015 and 2014 are as follows:

	Nine months ended September 30	
	2015	2014
Trade and other receivables	237	15,392
Inventory	(3,999)	(7,954)
Trade and other payables	4,120	6,563
Current provisions	7,028	5,927
Amounts due to/from related parties	753	1,693
	8,139	21,621

APPENDIX “K”
FINANCIAL STATEMENTS OF GOLDEN ARROW FOR THE YEARS
ENDED DECEMBER 31, 2014 AND 2013

Golden Arrow Resources Corporation
(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013

(Expressed in Canadian Dollars)



April 22, 2015

Independent Auditor's Report

To the Shareholders Golden Arrow Resources Corporation

We have audited the accompanying consolidated financial statements of Golden Arrow Resources Corporation, which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013 and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform our audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Golden Arrow Resources Corporation as at December 31, 2014 and December 31, 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which discloses conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Golden Arrow Resource Corporation's ability to continue as a going concern.

signed "PricewaterhouseCoopers LLP"

Chartered Accountants

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

		December 31, 2014 \$	December 31, 2013 \$
	Note		
ASSETS			
Non-current assets			
Property and equipment	3	33,327	81,088
Mineral property interests	4	1,742,095	1,548,230
Total non-current assets		<u>1,775,422</u>	<u>1,629,318</u>
Current assets			
Cash and cash equivalents		1,252,471	5,052,392
Investments	5	8,085	1,256,930
Amounts receivable		48,712	46,067
Prepaid expenses		123,989	25,084
Total current assets		<u>1,433,257</u>	<u>6,380,473</u>
Total Assets		<u>3,208,679</u>	<u>8,009,791</u>
EQUITY			
Share capital	6	9,953,493	8,650,617
Treasury stock		-	(48,005)
Commitment to issue shares	10	1,750,444	-
Reserves	6	14,893,400	14,254,407
Deficit		(23,810,048)	(15,278,200)
Total equity		<u>2,787,289</u>	<u>7,578,819</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	421,390	430,972
Total current liabilities		<u>421,390</u>	<u>430,972</u>
Total Equity and Liabilities		<u>3,208,679</u>	<u>8,009,791</u>

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENTS (Note 10)

SUBSEQUENT EVENTS (Note 14)

These consolidated financial statements are authorized for issue by the Board of Directors on April 22, 2015. They are signed on the Company's behalf by:

"Joseph Grosso" , Director

"David Terry" , Director

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

		Year ended December 31,	
	Note	2014	2013
		\$	\$
Expenses			
Administration and management services	7	615,625	413,800
Corporate development and investor relations		452,914	573,434
Depreciation		21,618	28,236
Exploration	4	6,263,828	3,974,791
Office and sundry	7	234,820	175,630
Professional fees	7	236,891	270,935
Rent, parking and storage	7	258,650	227,972
Salaries and employee benefits	7	545,926	812,498
Share-based compensation	7	319,902	29,258
Transfer agent and regulatory fees		31,408	28,931
Travel and accommodation		151,418	278,496
<i>Loss from operating activities</i>		9,133,000	6,813,981
Foreign exchange (gain) loss	13	(747,110)	41,930
Gain on sale of property and equipment		-	(10,919)
Interest income		(20,177)	(101,273)
Loss on sale of marketable securities	13	66,085	-
Write-off of mineral property interests	4	100,050	-
Loss for the year		8,531,848	6,743,719
Other comprehensive (income) loss			
Items that may be reclassified to profit or loss			
Unrealized (gain) loss on available-for-sale marketable securities	13	(1,155)	4,620
Other comprehensive (income) loss for the year		(1,155)	4,620
Comprehensive loss for the year		8,530,693	6,748,339
Basic and diluted loss per common share (\$)	8	0.21	0.16

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year ended December 31,	
	2014	2013
	\$	\$
Cash flows from operating activities		
Loss for the period	(8,531,848)	(6,743,719)
Adjustments for:		
Depreciation of property and equipment included in exploration expenses	26,143	24,265
Depreciation	21,618	28,236
Drilling services received for common shares	853,600	-
Drilling services received for common shares to be issued	1,106,796	-
Foreign exchange gain on marketable securities	(782,902)	-
Gain on sale of property and equipment	-	(10,919)
Loss on sale of marketable securities	66,085	-
Share-based compensation	319,902	29,258
Write-off of mineral property interests	100,050	-
	(6,820,556)	(6,672,879)
Change in non-cash working capital items:		
(Increase) decrease in amounts receivable	(2,645)	64,503
(Increase) decrease in prepaid expenses	(98,905)	47,940
(Decrease) increase in accounts payable and accrued liabilities	(9,582)	13,726
Net cash used in operating activities	(6,931,688)	(6,546,710)
Cash flows from investing activities		
Expenditures on property and equipment	-	(30,000)
Mineral property interests	(293,915)	(365,418)
Proceeds from exercise of warrant put right	1,250,000	-
Proceeds from sale of property and equipment	-	10,919
Purchase of marketable securities, net of transaction costs	(3,048,225)	-
Disposal of marketable securities, net of transaction costs	3,765,042	-
Purchase of short-term investments, net of transaction costs	-	(3,809,475)
Redemption of short-term investments, net of transaction costs	-	15,359,475
Net cash generated from investing activities	1,672,902	11,165,501
Cash flows from financing activities		
Issuance of common shares and warrants	1,016,000	-
Subscription receipts	643,648	-
Repurchases of common shares	(172,234)	(48,005)
Share issue costs	(26,640)	-
Share repurchase costs	(1,909)	(591)
Net cash generated by financing activities	1,458,865	(48,596)
Net (decrease) increase in cash and cash equivalents	(3,799,921)	4,570,195
Cash and cash equivalents at beginning of year	5,052,392	482,197
Cash and cash equivalents at end of year	1,252,471	5,052,392

SUPPLEMENTARY CASH FLOW INFORMATION (Note 11)

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Share capital			Reserves						
	Number of shares	Amount \$	Treasury Stock \$	Commitment to issue shares \$	Contributed surplus \$	Equity settled share-based payments \$	Warrants \$	Accumulated other comprehensive income (loss) \$	Deficit \$	Total \$
Balance at January 1, 2013	41,823,655	8,651,208	-	-	13,368,280	866,108	-	(4,619)	(8,534,481)	14,346,496
Stock options expired	-	-	-	-	41,642	(41,642)	-	-	-	-
Share-based compensation	-	-	-	-	-	29,258	-	-	-	29,258
Repurchases of common shares	(236,500)	-	(48,005)	-	-	-	-	-	-	(48,005)
Share repurchase costs	-	(591)	-	-	-	-	-	-	-	(591)
Total comprehensive (loss) for the year	-	-	-	-	-	-	-	(4,620)	(6,743,719)	(6,748,339)
Balance at December 31, 2013	41,587,155	8,650,617	(48,005)	-	13,409,922	853,724	-	(9,239)	(15,278,200)	7,578,819
Private placement	5,080,000	711,731	-	-	-	-	304,269	-	-	1,016,000
Share issue costs	-	(40,307)	-	-	-	-	-	-	-	(40,307)
Agent warrants granted	-	-	-	-	-	-	13,667	-	-	13,667
Shares issued for drilling services (Note 6)	336,134	853,600	-	-	-	-	-	-	-	853,600
Stock options expired	-	-	-	-	208,219	(208,219)	-	-	-	-
Share-based compensation	-	-	-	-	-	319,902	-	-	-	319,902
Treasury stock cancelled under normal course issuer bid	-	(48,005)	48,005	-	-	-	-	-	-	-
Repurchases of common shares (Note 6)	(763,500)	(172,234)	-	-	-	-	-	-	-	(172,234)
Share repurchase costs	-	(1,909)	-	-	-	-	-	-	-	(1,909)
Commitment to issue shares (Note 10)	-	-	-	1,750,444	-	-	-	-	-	1,750,444
Total comprehensive (loss) for the year	-	-	-	-	-	-	-	1,155	(8,531,848)	(8,530,693)
Balance at December 31, 2014	46,239,789	9,953,493	-	1,750,444	13,618,141	965,407	317,936	(8,084)	(23,810,048)	2,787,289

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars Unless Otherwise Noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Golden Arrow Resources Corporation (the "Company") was incorporated on July 7, 2004, as a result of a corporate restructuring plan (the "Reorganization") completed by Kobex Minerals Inc. ("Kobex") (formerly IMA Exploration Inc.). Shareholders of Kobex were issued one share of the Company for every ten shares of Kobex held.

The address of the Company's registered office is Suite 709 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6. The Company is listed on the TSX Venture Exchange.

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in Argentina and Chile. The Company's mineral property interests presently have no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. Consequently, the Company considers itself to be an exploration stage company.

The amounts shown as mineral property interests represent costs incurred to date, less option payment proceeds and amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral property interests is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to advance the properties beyond the exploration stage, and future profitability of the properties.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has experienced recurring operating losses and has an accumulated deficit of \$23,810,048 at December 31, 2014 (December 31, 2013 - \$15,278,200) and equity of \$2,787,289 at December 31, 2014 (December 31, 2013 – equity of \$7,578,819). In addition, the Company has working capital of \$1,011,867 at December 31, 2014 (December 31, 2013 – \$5,949,501). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors create material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments (Note 10) and to attain profitable operations. Management's plan in this regard is to raise equity financing as required (Note 14). There are no assurances that the Company will be successful in achieving these goals. These consolidated financial statements do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Company's consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2014.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

*(Expressed in Canadian Dollars Unless Otherwise Noted)***2. SIGNIFICANT ACCOUNTING POLICIES (continued)***Basis of presentation*

These consolidated financial statements have been prepared on a historical cost basis except for marketable securities classified as available-for-sale and share purchase warrants classified as fair value through profit and loss that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

	Place of Incorporation	Principal Activity
IMPSA Resources Corporation	BC, Canada	Holding company
Valle Del Cura S.A.	Argentina	Exploration company
Desarrollo de Recursos S.A.	Argentina	Exploration company
Golden Arrow Chile Ltda.	Chile	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Foreign currencies

The presentation and functional currency of the Company and each of its subsidiaries is considered to be the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Non-derivative financial assets

The Company has the following non-derivative financial assets: financial assets at fair value through profit or loss, available-for-sale financial assets and loans and receivables.

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

ii. Available-for-sale assets

Available-for-sale ("AFS") financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. AFS assets are measured at fair value with changes recorded in other comprehensive loss (income).

iii. Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and amounts receivable.

Other financial liabilities

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities comprise accounts payable and accrued liabilities.

Property and Equipment

Equipment is recorded at cost less accumulated depreciation calculated using the straight-line method over the estimated useful lives of two years for geological equipment and computer software and five years for vehicles. Depreciation of an asset begins once it is available for use.

Exploration, Evaluation and Development Expenditures

Exploration and evaluation expenditures are expensed as incurred, until the property reaches the development stage. The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. All direct costs related to the acquisition of resource property interests are capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves. Proceeds received for farm-out arrangements or recoveries of costs are credited against the cost of the related claims. The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral property acquisition costs include cash costs and the fair market value of common shares issued, based on the trading price of the shares issued for mineral property interests, pursuant to the terms of the related property agreements. Payments related to a property acquired under an option or joint venture agreement are made at the sole discretion of the Company, and are recorded as mineral property acquisition costs upon payment.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Impairment

At the end of each reporting period the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained by the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value of mineral assets is generally determined as the present value of the estimated cash flows expected to arise from the continued use of the asset, including an expansion projects. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal.

Impairment is normally assessed at the level of (cash-generating units or "CGUs"), which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Non-financial assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place.

Valuation of equity units issued in private placements

The Company follows a pro rata allocation method with respect to the measurement of shares and warrants issued as private placement units. This values each component at fair value and allocates total proceeds received between shares and warrants based on the pro rata relative values of the components. The fair value of the common shares is based on the closing quoted bid price on the issue date and the fair value of the common share purchase warrants is determined at the issue date using the Black- Scholes pricing model.

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based Payment Transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Income Taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year end applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the year end, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

- i. The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Critical accounting judgments

- i. Presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- ii. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.
- iii. The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- iv. Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves.
- v. The decision to recognize a deferred tax asset is based on management's judgment of whether it is considered probable that future taxable profits will be available against which unused tax losses, tax credits or deductible temporary differences can be utilized

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in Accounting Standards

The Company has adopted these accounting standards effective January 1, 2014. The adoption of these accounting standards had no significant impact on the consolidated financial statements. These standards are:

IAS 32 Financial Instruments: Presentation

IAS 32 updates the application guidance to clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The adoption of these amendments to the standard did not have an impact on the financial statements of the Company.

IAS 36 Impairment of Assets

On May 29, 2013, the IASB made amendments to the disclosure requirements of IAS 36, requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. The adoption of these amendments did not have an impact on the financial statements of the Company.

IFRIC 21 Levies

IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IFRIC 21 clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy. IFRIC 21 was adopted by the Group on January 1, 2014. The adoption of IFRIC 21 did not affect the Company's financial results or disclosures.

New Accounting Standards and Interpretations

The International Accounting Standards Board ("IASB") has issued new and amended standards and interpretations which have not yet been adopted by the Company. The following is a brief summary of the new and amended standards and interpretations:

IFRS 9 – Financial Instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. In July 2014 IFRS 9, Financial Instruments ("IFRS 9") was issued. The completed standard provides revised guidance on the classification and measurement of financial assets. It also introduces a new expected credit loss model for calculating impairment for financial assets. This final version of IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 9 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 is effective for annual periods beginning on or after January 1, 2017. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars Unless Otherwise Noted)

IFRS 15 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

3. PROPERTY AND EQUIPMENT

	Computer Software	Geological Equipment	Vehicles	Total \$
Cost				
Balance at January 1, 2014	26,471	95,683	96,791	218,945
Balance at December 31, 2014	26,471	95,683	96,791	218,945
Accumulated Depreciation				
Balance at January 1, 2014	19,853	80,683	37,321	137,857
Depreciation	6,618	15,000	26,143	47,761
Balance at December 31, 2014	26,471	95,683	63,464	185,618
Carrying Amount				
At January 1, 2014	6,618	15,000	59,470	81,088
At December 31, 2014	-	-	33,327	33,327

	Computer Software	Geological Equipment	Vehicles	Total \$
Cost				
Balance at January 1, 2013	26,471	65,683	111,064	203,218
Additions	-	30,000	-	30,000
Disposals	-	-	(14,273)	(14,273)
Balance at December 31, 2013	26,471	95,683	96,791	218,945
Accumulated Depreciation				
Balance at January 1, 2013	6,617	65,683	27,329	99,629
Depreciation	13,236	15,000	24,265	52,501
Disposals	-	-	(14,273)	(14,273)
Balance at December 31, 2013	19,853	80,683	37,321	137,857
Carrying Amount				
At January 1, 2013	19,854	-	83,735	103,589
At December 31, 2013	6,618	15,000	59,470	81,088

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

*(Expressed in Canadian Dollars Unless Otherwise Noted)***4. MINERAL PROPERTY INTERESTS**

The schedules below summarize the carrying costs of acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company is continuing to explore as at December 31, 2014 and December 31, 2013:

Acquisition Costs

	Argentina							Total \$
	Fronterra District \$	La Rioja \$	Caballos \$	Chinchillas \$	Darmar \$	Pescado \$	Other \$	
Balance – January 1, 2014	655,306	14,853	2,431	648,786	100,050	32,640	94,164	1,548,230
Additions								
Staking costs, land payments and acquisition costs	818	-	-	286,100	-	436	6,561	293,915
Write-off of mineral property interests	-	-	-	-	(100,050)	-	-	(100,050)
Balance – December 31, 2014	656,124	14,853	2,431	934,886	-	33,076	100,725	1,742,095

Exploration Expenditures

	Argentina						Chile	Total \$
	Fronterra District \$	La Rioja \$	Chinchillas \$	Caballos \$	Pescado \$	Other \$	Mogote \$	
Cumulative exploration expenses – January 1, 2014	4,329,275	1,606,601	6,739,988	316,544	844,319	726,396	32,668	14,595,791
Expenditures during the period								
Assays	-	-	340,522	-	-	2,940	-	343,462
Drilling	-	-	2,611,627	-	-	-	-	2,611,627
Geophysics and metallurgy	-	-	205,696	-	-	21,081	-	226,777
Imagery and base maps	-	-	5,347	-	-	-	-	5,347
Office	-	-	375,138	699	-	13,869	-	389,706
Preliminary economic assessment	-	-	102,362	-	-	-	-	102,362
Property maintenance payments	-	-	52,140	280	-	570	9,515	62,505
Rehabilitation review	-	-	-	-	-	5,749	-	5,749
Salaries and contractors	-	-	1,497,738	-	-	49,428	-	1,547,166
Supplies and equipment	-	-	462,885	-	-	4,984	-	467,869
Transportation	-	-	147,609	-	-	2,613	-	150,222
Value added taxes	46	-	344,804	55	25	6,106	-	351,036
	46	-	6,145,868	1,034	25	107,340	9,515	6,263,828
Cumulative exploration expenses – December 31, 2014	4,329,321	1,606,601	12,885,856	317,578	844,344	833,736	42,183	20,859,619

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

*(Expressed in Canadian Dollars Unless Otherwise Noted)***4. MINERAL PROPERTY INTERESTS (continued)**

The schedules below summarize the carrying costs of acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company was continuing to explore as at December 31, 2013:

Acquisition Costs

	Argentina							
	Fronterra District	La Rioja	Caballos	Chinchillas	Darmar	Pescado	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance – January 1, 2013	653,038	14,547	1,752	300,685	100,050	31,430	81,310	1,182,812
Additions								
Staking costs, land payments and acquisition costs	2,268	306	679	348,101	-	1,210	12,854	365,418
Balance – December 31, 2013	655,306	14,853	2,431	648,786	100,050	32,640	94,164	1,548,230

Exploration Expenditures

	Argentina							Chile	Total
	Fronterra District	La Rioja	Chinchillas	Caballos	Pescado	Other	Mogote		\$
	\$	\$	\$	\$	\$	\$	\$		\$
Cumulative exploration expenses – January 1, 2013	4,326,553	1,605,670	3,010,078	272,934	844,042	548,398	13,325		10,621,000
Expenditures during the period									
Assays	-	-	204,244	249	-	2,713	-		207,206
Drilling	-	-	816,945	-	-	-	-		816,945
Geophysics and metallurgy	-	-	188,163	-	-	337	-		188,500
Office	-	33	307,327	7,948	-	17,506	-		332,364
Preliminary economic assessment	-	-	109,285	-	-	-	-		109,285
Property maintenance payments	-	-	-	-	-	-	19,343		19,343
Rehabilitation review	-	-	-	-	-	59,955	-		59,955
Salaries and contractors	2,268	553	1,147,442	9,208	142	76,346	-		1,235,959
Supplies and equipment	-	232	381,045	18,938	-	500	-		400,715
Transportation	-	-	201,134	3,239	-	3,733	-		208,106
Statutory taxes	454	113	370,900	4,028	135	17,358	-		392,988
	2,722	931	3,729,910	43,610	277	177,998	19,343		3,974,791
Cumulative exploration expenses – December 31, 2013	4,329,275	1,606,601	6,739,988	316,544	844,319	726,396	32,668		14,595,791

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

*(Expressed in Canadian Dollars Unless Otherwise Noted)***4. MINERAL PROPERTY INTERESTS (continued)****(a) Chinchillas, Jujuy, Argentina**

On August 3, 2011, the Company announced an option agreement ("Option Agreement") with a private group to acquire a 100% interest in the Chinchillas Silver Project located in Jujuy Province. On July 11, 2014, the Option Agreement for the Chinchillas Silver Project was amended to allow for an extension of the 3rd year option payment in consideration for USD \$6,000 to be paid monthly until the remaining USD \$250,000 is paid. The Company has the option at any time during the period to pay the remaining 3rd year option payment of USD \$250,000 without incurring any additional monthly amounts.

Under the terms of the Option Agreement, Golden Arrow may acquire a 100% interest in the Chinchillas project by making the cash payments to the vendor totaling USD \$1,866,000 over four years, as shown below:

Option Payment USD \$	Date
20,000	August 3, 2011 (paid)
80,000	February 3, 2012 (paid)
150,000	August 3, 2012 (paid)
250,000	August 3, 2013 (paid)
150,000	July 21, 2014 (paid)
6,000	August 21, 2014 (paid)
6,000	September 21, 2014 (paid)
6,000	October 21, 2014 (paid)
6,000	November 21, 2014 (paid)
6,000	December 21, 2014 (paid)
6,000	January 21, 2015 (paid subsequent to December 31, 2014)
6,000	February 21, 2015 (paid subsequent to December 31, 2014)
6,000	March 21, 2015 (paid subsequent to December 31, 2014)
6,000	April 21, 2015 (paid subsequent to December 31, 2014)
6,000	May 21, 2015
6,000	June 21, 2015
250,000	July 6, 2015
900,000	July 21, 2015
1,866,000	

Furthermore, the Company must make an additional payment of USD \$1,200,000 to the vendor upon the commencement of commercial production.

(b) Fronterra District, Argentina

The Company owns a 100% interest in the Fronterra District properties for which it paid consideration of USD \$120,000. The properties are subject to a net smelter return royalty ("NSR") of up to USD \$5,000,000 once commercial production is achieved.

(c) Varitas, La Rioja, Argentina

The Company owns a 100% interest in the Varitas property in southern La Rioja Province, Argentina.

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

*(Expressed in Canadian Dollars Unless Otherwise Noted)***4. MINERAL PROPERTY INTERESTS (continued)****(d) Mogote and Purulla Properties, Argentina**

On June 3, 2009, the Company announced that it had entered into an agreement to acquire from Iron South Mining Corp. the remaining 51% interest in the Mogote property not already held by the Company and four Peruvian property concessions for consideration of \$168,870 (USD \$150,000) and a 1% NSR. The amount allocated to acquisition costs for Mogote was \$159,763.

On September 9, 2010, the Company announced that it has entered into an option agreement with Vale Exploracion Argentina, S.A. ("Vale"), a wholly-owned subsidiary of Vale S.A., on its Mogote project in San Juan Province and its Purulla project in Catamarca Province, Argentina.

On June 18, 2012, Vale terminated its option on the Purulla project and on July 5, 2013, Vale terminated its option on the Mogote project.

(e) Caballos, La Rioja, Argentina

The Company owns a 100% interest in the Caballos property in western La Rioja Province, Argentina.

(f) Pescado, San Juan, Argentina

The Company owns a 100% interest in the Pescado Gold Project in San Juan Province, Argentina.

5. INVESTMENTS

At December 31, 2014, the Company held the following:

	Quantity	Fair Value
Iron South Mining Corp. common shares ("Iron South")	76,996 ⁽¹⁾	\$8,085
		<u>\$8,085</u>

At December 31, 2013, the Company held the following:

	Quantity	Fair Value
Iron South Mining Corp. common shares ("Iron South")	76,996 ⁽¹⁾	\$6,930
Premier Royalty Inc. warrants ("Premier Royalty")	1,000,000	<u>\$1,250,000</u>
		<u>\$1,256,930</u>

⁽¹⁾ On December 22, 2014, the common shares of Iron South were consolidated on the basis of three (3) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively restated for number of shares held.

The Company has designated its marketable securities in Iron South Mining Corp. as available-for-sale financial assets and accordingly, changes in fair value are recorded in other comprehensive loss in the period in which they occur. An unrealized gain of \$1,155 (2013 – unrealized loss of \$4,620) was recorded for the year ended December 31, 2014.

In connection with the Company's sale of its 1% NSR on Yamana Gold Inc.'s Gualcamayo Gold mine to Premier Royalty Inc. ("Premier") during 2012, it received 1,000,000 warrants to purchase an aggregate of up to 1 million common shares of Premier at an exercise price per share equal to \$2.52 per common share of Premier for a period of two years after the date of issue of the warrants (the "expiry date").

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. INVESTMENTS (continued)

The Company had the right (the “Put Right”) on 30 days’ notice to require Premier to acquire all warrants outstanding at the time for cancellation for a purchase price of \$1.25 per warrant at any time prior to the expiry date for a total of \$1,250,000 if all warrants are put to Premier. During 2013, all the issued and outstanding common shares of Premier were acquired by Sandstorm Gold Ltd. (“Sandstorm”). Sandstorm also acquired the Put Right obligation in favor of the Company as a result of its acquisition of Premier.

The Premier warrants are considered to be derivative financial instruments and are measured each period end at fair value through profit and loss.

On July 18, 2014, the Company exercised its put right with Sandstorm Gold Inc. to acquire all warrants outstanding for cancellation for a total of \$1,250,000.

6. CAPITAL AND RESERVES*Authorized Share Capital*

At December 31, 2014, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in 2014

On August 15, 2014, the Company obtained TSX Venture Exchange approval to issue 336,134 common shares of the Company as payment for completion for certain drilling services. The issued shares were escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the date of completion of the drilling services or the expiry of three years following the date of the Agreement. See Note 10 for further information.

On December 22, 2014, the Company completed the first tranche of a non-brokered private placement consisting of 5,080,000 units at a price of \$0.20 per unit for gross proceeds of \$1,016,000. Each unit consisted of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of \$0.25 per share for two years from the date of issue of the warrant. The Company is entitled to accelerate the expiry date of the warrants if the 15-day volume weighted average stock price of the Company trades \$0.35 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day. Finders’ fees were \$26,640 in cash and 132,200 in warrants exercisable into common shares at \$0.25 per share for two years having a fair value of \$13,667. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 1.01%; expected stock price volatility – 94.87%; dividend yield of 0%; and expected warrant life of 1.47 years.

Details of Common Share Repurchases in 2014 and 2013

On November 19, 2013, the TSX Venture Exchange accepted a notice of intention whereby the Company made a Normal Course Issuer Bid (“NCIB”) to purchase its own common shares for cancellation through the facilities of the Exchange at the prevailing market price. The number of common shares purchased by the Company was in no event to be in excess of 5% of the issued and outstanding common shares, such amount not to exceed 1,000,000 common shares of the 41,823,655 issued and outstanding at the date the NCIB commenced.

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars Unless Otherwise Noted)

During 2014, the Company acquired and cancelled 763,500 (2013 – 236,500) of its own common shares for an aggregate purchase price of \$174,143 (2013 - \$48,005) and common share repurchase costs of \$1,909 (2013 - \$591).

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the “Plan”) approved by the Company’s shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on a fixed number of eligible shares equaling 20% of the Company’s outstanding common shares calculated at June 25, 2013, totaling a maximum of 8,364,371 share purchase options.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX Venture Exchange. Share purchase options granted generally vest immediately, are subject to a four-month hold period and are generally exercisable for a period of five years.

The continuity of share purchase options for the year ended December 31, 2014 is as follows:

Expiry date	Exercise Price	December 31, 2013	Granted	Exercised	Expired/ Forfeited	December 31, 2014	Options exercisable
May 7, 2014	\$0.35	1,295,000	-	-	(1,295,000)	-	-
March 31, 2015	\$0.36	100,000	-	-	-	100,000	100,000
April 22, 2015	\$0.36	150,000	-	-	-	150,000	150,000
October 1, 2015	\$0.35	835,000	-	-	-	835,000	835,000
October 29, 2015	\$0.38	75,000	-	-	-	75,000	75,000
November 4, 2015	\$0.40	820,000	-	-	-	820,000	820,000
November 25, 2015	\$0.32	150,000	-	-	-	150,000	150,000
June 24, 2017	\$0.30	50,000	-	-	-	50,000	50,000
November 25, 2017	\$0.32	200,000	-	-	-	200,000	200,000
November 29, 2017	\$0.31	200,000	-	-	-	200,000	200,000
May 28, 2018	\$0.35	200,000	-	-	-	200,000	200,000
March 25, 2019	\$0.35	-	2,505,000	-	-	2,505,000	2,467,500
April 16, 2019	\$0.35	-	380,000	-	-	380,000	342,500
April 30, 2019	\$0.35	-	20,000	-	-	20,000	20,000
		4,075,000	2,905,000	-	(1,295,000)	5,685,000	5,610,000
Weighted average exercise price \$		0.36	0.35	-	0.35	0.35	0.35
Weighted average contractual remaining life (years)		1.66	4.24	-	-	2.79	2.77

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

*(Expressed in Canadian Dollars Unless Otherwise Noted)***6. CAPITAL AND RESERVES (continued)**

The continuity of share purchase options for the year ended December 31, 2013 is as follows:

Expiry date	Exercise Price	December 31, 2012	Granted	Exercised	Expired/ Forfeited	December 31, 2013	Options exercisable
August 4, 2013	\$0.31	75,000	-	-	(75,000)	-	-
May 7, 2014	\$0.35	1,395,000	-	-	(100,000)	1,295,000	1,295,000
March 31, 2015	\$0.36	100,000	-	-	-	100,000	100,000
April 22, 2015	\$0.36	150,000	-	-	-	150,000	150,000
October 1, 2015	\$0.35	885,000	-	-	(50,000)	835,000	835,000
October 29, 2015	\$0.38	75,000	-	-	-	75,000	75,000
November 4, 2015	\$0.40	820,000	-	-	-	820,000	820,000
November 25, 2015	\$0.32	150,000	-	-	-	150,000	150,000
June 24, 2017	\$0.30	50,000	-	-	-	50,000	50,000
November 25, 2017	\$0.32	200,000	-	-	-	200,000	200,000
November 29, 2017	\$0.31	200,000	-	-	-	200,000	200,000
May 28, 2018	\$0.35	-	200,000	-	-	200,000	200,000
		4,100,000	200,000	-	(225,000)	4,075,000	4,075,000
Weighted average exercise price \$		0.36	0.35	-	0.34	0.36	0.36
Weighted average contractual remaining life (years)		2.46	4.41	-	-	1.66	1.66

The weighted average fair value of share purchase options granted during the year ended December 31, 2014 is \$0.11 (2013 - \$0.15). Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Year ended December 31,	
	2014	2013
Risk-free interest rate	1.47%	1.35%
Expected option life in years	3.6	3.8
Expected share price volatility	82%	82%
Grant date share price	\$0.23	\$0.275
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

Warrants

The continuity of warrants for the year ended December 31, 2014 is as follows:

Expiry date	Exercise Price	December 31, 2013	Granted	Exercised	Expired/ Forfeited	December 31, 2014
December 18, 2016	\$0.25	-	5,213,200	-	-	5,213,200
		-	5,213,200	-	-	5,213,200
Weighted average exercise price \$		-	0.25	-	-	0.25

The Company did not have any warrants outstanding as at December 31, 2013.

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

*(Expressed in Canadian Dollars Unless Otherwise Noted)***7. RELATED PARTY BALANCES AND TRANSACTIONS**

On April 1, 2010, the Company entered into a Management Services Agreement (“Agreement”) with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by an officer and director of the Company and also has another common director with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group’s costs including its staff and overhead costs among the member companies. The initial fee based on expected usage was \$50,000 per month. This fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expired on December 31, 2014 and was automatically renewed for a period of two years pursuant to the terms of the Agreement. The Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of \$750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of \$1,000,000.

	Year ended December 31,	
	2014	2013
Transactions	\$	\$
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	464,700	261,600
Rent, parking and storage	242,400	214,200
Office & sundry	130,200	90,300
Total for services rendered	837,300	566,100

Mr. Joseph Grosso

Mr. Joseph Grosso, a director and officer of the Company, received share-based benefits of \$55,298 for the year ended December 31, 2014 (2013 - \$Nil).

Oxbow International Marketing Corp. (“Oxbow”) is a private company controlled by Mr. Joseph Grosso. For the year ended December 31, 2014, Oxbow was paid \$125,000 (2013 - \$125,000) for management consulting services. Amounts paid to Oxbow are classified as salaries and employee benefits in the consolidated statements of loss and comprehensive loss.

Mr. Nikolaos Cacos

Mr. Nikolaos Cacos, a director of the Company, received share-based benefits of \$22,120 for the year ended December 31, 2014 (2013 - \$Nil).

Cacos Consulting Ltd. (“Cacos Consulting”) is a private company controlled by Mr. Nikolaos Cacos. For the year ended December 31, 2014, Cacos Consulting was paid \$152,500 (2013 - \$120,000) for management consulting services. Amounts paid to Cacos Consulting are classified as administration and management services in the consolidated statements of loss and comprehensive loss.

At December 31, 2014, the Company had \$840 (2013 - \$Nil) included in accounts payable and accrued liabilities to Cacos Consulting.

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

*(Expressed in Canadian Dollars Unless Otherwise Noted)***7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)***Dr. David Terry*

Dr. David Terry, a director and former officer to the Company, was paid directors and audit committee chair fees of \$16,000 for the year ended December 31, 2014 (2013 - \$16,000) and received share-based benefits of \$11,060 for the year ended December 31, 2014 (2013 - \$Nil).

Vinland Holdings Ltd. ("Vinland") is a private company controlled by Dr. David Terry. For the year ended December 31, 2014, Vinland was paid \$14,925 (2013 - \$16,200) for geological services. Amounts paid to Vinland are classified as administration and management services in the consolidated statements of loss and comprehensive loss.

At December 31, 2014, the Company had \$2,113 (2013 - \$4,334) included in accounts payable and accrued liabilities to Vinland.

Mr. Louis Salley

Mr. Louis Salley, a director of the Company, was paid directors fees of \$12,000 for the year ended December 31, 2014 (2013 - \$7,000) and received share-based benefits of \$16,589 for the year ended December 31, 2014 (2013 - \$Nil). Amounts paid to Mr. Louis Salley are classified as salaries and employee benefits in the consolidated statements of loss and comprehensive loss.

Salley Bowes Harwardt Law Corp. ("Salley Bowes Harwardt") is a private company of which Mr. Louis Salley is an owner. For the year ended December 31, 2014, Salley Bowes Harwardt was paid \$49,910 (2013 - \$19,832) for legal services. Amounts paid to Salley Bowes Harwardt are classified as professional fees in the consolidated statements of loss and comprehensive loss.

At December 31, 2014, the Company had \$8,490 (2013 - \$15,307) included in accounts payable and accrued liabilities to Salley Bowes Harwardt.

Mr. John Gammon

Mr. John Gammon, a director of the Company, was paid directors and corporate governance committee chair fees of \$16,000 for the year ended December 31, 2014 (2013 - \$16,000) and received share-based benefits of \$8,295 for the year ended December 31, 2014 (2013 - \$Nil).

Key management personnel compensation

Year ended December 31, 2014					Year ended December 31, 2013					
Compensation	Share-				Share-					
	Salaries	based	benefits	Other	Total	Salaries	based	benefits	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Chief Executive Officer	125,000	55,298	-	180,298	156,250	-	62,500 ⁽¹⁾	218,750		
Chief Financial Officer	56,000	9,717	-	65,717	51,495	14,629	160,378 ⁽²⁾	226,502		
Total	181,000	65,015	-	246,015	207,745	14,629	222,878	445,252		

(1) Includes a severance payment of \$62,500 to the former Chief Executive Officer during the year ended December 31, 2013.

(2) Includes a one-time performance bonus of \$50,000 and a severance payment of \$110,378 paid to the former Chief Financial Officer during the year ended December 31, 2013.

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

*(Expressed in Canadian Dollars Unless Otherwise Noted)***8. BASIC AND DILUTED LOSS PER SHARE**

The calculation of basic and diluted loss per share for the years ended December 31, 2014 and 2013 was based on the following:

	Year ended December 31,	
	2014	2013
Loss attributable to common shareholders (\$)	8,531,848	6,743,719
Weighted average number of common shares outstanding	41,234,058	41,817,082

Diluted loss per share did not include the effect of 5,685,000 (2013 – 4,075,000) share purchase options and 5,213,200 (2013 – Nil) common share purchase warrants as they are anti-dilutive.

9. SEGMENTED INFORMATION

The Company is primarily involved in mineral exploration activities in Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the year ended December 31, 2014.

The Company's total non-current assets are segmented geographically as follows:

	Argentina	
	December 31, 2014	December 31, 2013
Mineral property interests (\$)	1,742,095	1,548,230
Property and equipment (\$)	33,327	81,088
	1,775,422	1,629,318

10. COMMITMENTS*Management Services Agreement*

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	\$	\$	\$	\$	\$
Management Services Agreement	990,000	990,000	-	-	-

On April 1, 2010, the Company entered into an Agreement with Grosso Group to provide services and facilities to the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current monthly fee is \$82,500 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

Chinchillas Option Agreement

Under the terms of the Chinchillas Option Agreement, signed August 3, 2011, Golden Arrow may acquire a 100% interest in the Chinchillas project by making additional cash payments to the vendor totaling USD \$1,186,000 through 2015, as shown below:

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

*(Expressed in Canadian Dollars Unless Otherwise Noted)***10. COMMITMENTS (continued)**

Option Payment USD \$	Date
6,000	January 21, 2015 (paid subsequent to December 31, 2014)
6,000	February 21, 2015 (paid subsequent to December 31, 2014)
6,000	March 21, 2015 (paid subsequent to December 31, 2014)
6,000	April 21, 2015 (paid subsequent to December 31, 2014)
6,000	May 21, 2015
6,000	June 21, 2015
250,000	July 6, 2015
900,000	July 21, 2015
1,186,000	

Furthermore the Company must make an additional payment of USD\$1,200,000 to the vendor upon the commencement of commercial production.

Shares for Services

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	\$	\$	\$	\$	\$
Drilling Services	1,060,392	-	-	-	-
Heavy Equipment Services	46,404				
Subscription receipts	643,648				

Drilling Services

Under the terms of a shares for services agreement (the "Agreement") signed March 10, 2014 and as amended on November 1, 2014, up to 16,000 meters of drilling shall be paid for by issuing up to a total of 2,378,404 common shares of the Company subject to TSX Venture exchange approval. The issued shares will be escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the date of completion of the drilling services or the expiry of three years following the date of the Agreement.

At December 31, 2014, the Company had issued 336,134 (2013 – Nil) common shares and has recognized \$1,060,392 (2013 - \$Nil) for 4,678 meters drilled up to December 31, 2014 to be paid for by issuing common shares of the Company subject to TSX Venture exchange approval in accordance with the terms of the Agreement. See Note 14 for further information.

Heavy Equipment Services

Under the terms of a shares for heavy equipment services contract (the "Contract") signed November 1, 2014, up to 1,200 hours of heavy equipment services shall be paid for by issuing up to a total of 98,783 common shares of the Company.

At December 31, 2014, the Company has recognized \$46,404 (2013 - \$Nil) for 400 hours of heavy equipment services to be paid for by issuing common shares of the Company subject to TSX Venture exchange approval in accordance with the terms of the Contract.

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

*(Expressed in Canadian Dollars Unless Otherwise Noted)***10. COMMITMENTS (continued)***Subscription Receipts*

On November 18, 2014, the Company announced that it had entered into a Memorandum of Understanding whereby the Company may be advanced up to \$1,120,445 in cash for the proposed issuance of 884,112 common shares of the Company at a price of US\$1.214777.

At December 31, 2014, the Company was advanced US\$537,000 (CDN\$643,648) representing 442,056 common shares of the Company to be issued at a price of \$US1.214777 per share subject to TSX Venture exchange approval. See Note 14 for further information.

11. SUPPLEMENTARY CASH FLOW INFORMATION

	Year ended December 31,	
	2014	2013
	\$	\$
Non-cash investing and financing activities		
Commitment to issue shares for drilling and heavy equipment services	1,106,796	-
Agent warrants granted	13,667	-

12. INCOME TAXES

The recovery of income taxes shown in the consolidated statements of loss (income) and comprehensive loss (income) differs from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	2014	2013
	26.00%	25.75%
	\$	\$
(Loss) income before income taxes	(8,531,848)	(6,743,719)
Income tax (recovery) expense at Canadian statutory rates	(2,218,280)	(1,736,508)
Non-deductible differences and others	126,480	(12,389)
Difference between Canadian and foreign tax rates	773,954	298,678
Unrecognized deferred tax assets	1,317,846	1,450,219
Income tax recovery	-	-

Deferred incomes taxes reflect the net tax effects of differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's future tax assets and liabilities are as follows:

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

*(Expressed in Canadian Dollars Unless Otherwise Noted)***12. INCOME TAXES (continued)**

	2014	2013
	\$	\$
Deferred income tax assets		
Financing costs	10,564	5,386
Non-capital tax loss carry forwards	2,314,676	1,665,599
Resource deductions	2,172,711	1,520,752
Capital assets	57,474	46,870
Marketable securities	122,385	121,357
	<u>4,677,810</u>	<u>3,359,964</u>
Unrecognized deferred income tax assets	<u>(4,677,810)</u>	<u>(3,359,964)</u>
	<u>-</u>	<u>-</u>

The Company has Canadian non-capital loss carryforwards of \$8,901,937 that may be available for tax purposes. The Company's non-capital losses expire as follows:

Expiry Date	\$
2029	721,963
2030	1,317,921
2031	1,767,294
2032	2,918,105
2033	2,176,654
	<u>8,901,937</u>

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial instruments consist of cash and cash equivalents, amounts receivable and marketable securities. The Company's marketable securities are classified as available for sale and fair value is determined using closing prices at the balance sheet date with any temporary unrealized gains or losses recognized in other comprehensive income.

The following table outlines the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy described below. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

At December 31, 2014 the Company's financial instruments measured at fair value are as follows:

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation*(An Exploration Stage Company)*

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

*(Expressed in Canadian Dollars Unless Otherwise Noted)***13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)**

		Level 1	Level 2	Level 3
		\$	\$	\$
	Carrying amount December 31, 2014	Fair value December 31, 2014		
Recurring measurements				
Financial Assets				
Marketable securities	8,085	8,085	-	-

At December 31, 2013 the Company's financial instruments measured at fair value are as follows:

		Level 1	Level 2	Level 3
		\$	\$	\$
	Carrying amount	Fair value		
	December 31, 2013	December 31, 2013		
Recurring measurements				
Financial Assets				
Warrant derivative assets	1,250,000	-	-	1,250,000
Marketable securities	6,930	6,930	-	

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

An analysis of marketable securities including related gains and losses during the year is as follows:

	Year ended December 31,	
	2014	2013
	\$	\$
Marketable securities, beginning of year	6,930	11,550
Purchase of marketable securities	3,048,225	-
Disposition of marketable securities	(3,765,042)	-
Foreign exchange gain on marketable securities	782,902	-
Realized (loss) on marketable securities	(66,085)	-
Unrealized gain (loss) included in other comprehensive income	1,155	(4,620)
Marketable securities, end of year	8,085	6,930

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars Unless Otherwise Noted)

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)**(b) Financial Instrument Risk Exposure*****Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and amounts receivable. The majority of the Company's receivables are with the government of Canada in the form of sales tax, the credit risk is minimal.

Overall the Company's credit risk has not changed significantly from the prior year. The Company places its cash and cash equivalents and short-term investments with financial institutions with high credit ratings, the credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future. See Note 1 for further information.

The Company has \$421,390 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk**(i) *Currency risk***

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include: US dollars and Argentine Pesos, all denominated in cash, amounts receivable and accounts payable. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the United States dollar and between the Canadian dollar and the Argentine Peso is summarized as follows:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by \$2,372.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by \$12,923.

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears no interest and short-term investments are redeemable at any time without penalty, with interest paid from the date of purchase. The fair value of cash and short-term investments approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing.

The accompanying notes are an integral part of these consolidated financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars Unless Otherwise Noted)

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)**(iii) Capital Management**

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves and deficit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to develop its mineral projects and may require doing so again in the future. See Note 1 for further information.

14. SUBSEQUENT EVENTS*Private Placements*

- (i) On January 16, 2015, the Company completed the second tranche of a non-brokered private placement consisting of 2,739,000 units at a price of \$0.20 per unit for gross proceeds of \$547,800. Each unit consisted of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of \$0.25 per share for two years from the date of issue of the warrant. The Company will be entitled to accelerate the expiry date of the warrants if the 15-day volume weighted average stock price of the Company trades \$0.35 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day. Finders' fees were \$2,480 in cash and 12,400 in warrants exercisable into common shares at \$0.25 per share for two years.
- (ii) On January 27, 2015, the Company completed a non-brokered private placement consisting of 442,056 common shares at a price of US\$1.214777 (CDN\$1.456033) per share for gross proceeds of US\$537,000 (CDN\$643,648).
- (iii) On February 23, 2015, the Company completed a private placement consisting of 100,000 units at a price of \$0.20 per unit for gross proceeds of \$20,000. Each unit consisted of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of \$0.26 per share for two years from the date of issue of the warrant. The Company is entitled to accelerate the expiry date of the warrants if the 15-day volume weighted average stock price of the Company trades \$0.35 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day.

Issuance of Shares for Services

On February 17, 2015, pursuant to the terms of a shares for services agreement (the "Agreement"), the Company obtained TSX Venture Exchange approval to issue 420,168 common shares of the Company as payment for completion for certain drilling services. The issued shares will be escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the date of completion of the drilling services or the expiry of three years following the date of the Agreement.

The accompanying notes are an integral part of these consolidated financial statements.

APPENDIX “L”

MANAGEMENT’S DISCUSSION AND ANALYSIS OF GOLDEN ARROW FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Introduction

This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the consolidated financial statements of Golden Arrow Resources Corporation (“Golden Arrow” or “the Company”) for the years ended December 31, 2014 and 2013 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of April 22, 2015.

The scientific and technical information relating to the Chinchillas Project contained in this MD&A (including, without limiting the generality of the foregoing, scientific and technical information derived from the technical reports entitled “*Mineral Resource Estimate For the Chinchillas Silver-Lead-Zinc Project, Jujuy Province, Argentina*” dated effective June 20, 2013; the “*Preliminary Economic Assessment For the Chinchillas Silver-Lead-Zinc Project, Jujuy Province, Argentina*” with an effective date of December 5, 2013; the “*Mineral Resource Estimate for the Chinchillas Silver-Lead-Zinc Project, Jujuy Province, Argentina*” with an effective date of August 29, 2014; and the “*Preliminary Economic Assessment Update For the Chinchillas Silver-Lead-Zinc Project, Jujuy Province, Argentina*” with an effective date of October 30, 2014) has been superseded by the scientific and technical information under the heading “*Appendix “C” – Information Concerning New GAR Post-Arrangement – New GAR Properties – Chinchillas Project*” and the technical report entitled “*Mineral Resource Estimate for the Chinchillas Silver-Lead-Zinc Project, Jujuy Province, Argentina*” filed on September 14, 2015, effective July 31, 2015 and revised November 2, 2015, pertaining to the Chinchillas Project, prepared by Bruce Davis, Ph.D., F.AusIMM; Robert Sim, P. Geo; and Bruce Smith, MSc., (C.P.) MAusIMM. All information contained in this MD&A is given as of April 22, 2015.

The Chinchillas Technical Report is the current technical report in respect of the Chinchillas Project and investors should not rely on any scientific or technical information relating to the Chinchillas Project contained in this MD&A.

Company Overview

Golden Arrow Resources Corporation was created on July 7, 2004, as a result of a corporate restructuring plan (the “Reorganization”) completed by Kobex Minerals Inc. (“Kobex”) (formerly IMA Exploration Inc.). Shareholders of Kobex were issued one share of the Company for every ten shares of Kobex held. The address of the Company’s registered office is Suite 411 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6. The Company is listed on the TSX Venture Exchange.

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company’s material mineral property interest is located in South America. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties.

Principal Properties

The Company’s properties are all located in Argentina and include over 223,000 ha in five provinces. The following summary discusses only the most active/material projects. Unless otherwise stated, the technical information provided below has been reviewed by Brian McEwen, P.Geol., a Qualified Person as defined under National Instrument 43-101.

1. Chinchillas Silver-Lead-Zinc Project, Jujuy

1.1 Background

On August 3, 2011 the Company signed an option agreement ("Option Agreement") with a private group to acquire a 100% interest in the Chinchillas Project located in Jujuy Province by making cash payments to the vendor totaling US \$1.8 million over four years. The Chinchillas Project includes two exploitation concessions ("Minas") totalling 1160 hectares, both of which are permitted for drilling.

The Chinchillas Project is located in the prolific Bolivian silver-zinc-tin belt which extends into northern Argentina. The project is road accessible, and work can be completed year-round.

Chinchillas is a Tertiary aged diatreme volcanic complex that has erupted through the Paleozoic basement schists. The resulting depression or basin, filled with volcanic breccias and tuffs is approximately 1.5 kilometres in diameter. Mineralization occurs starting at surface within the basin, hosted in favorable volcanic tuff units, hydrothermal breccias and along faults and structural zones as well as with basement schists and across the schist volcanic contacts. The mineralization occurs mostly as disseminations, veinlets and matrix filling in the volcanics, and within the basement as silver, lead and zinc in structures and breccias.

Historical drilling on the property includes of 2,996 m in 14 holes (7 RC and 7 diamond holes) by two previous operators within a 1.0 km by 0.4 km area. This drilling tested five main mineralized targets, providing focus for the Company's first drill program on two main zones: The Socavon del Diablo Zone: host to Ag-Zn-Pb mineralization in volcanic tuffs and breccia in the eastern part of the basin, and; The Silver Mantos Zone: comprising the western part of the basin with several historic high grade silver intersections in flat-lying tuff and breccia zones.

Between April and June, 2012, the Company completed a 27 hole, 3,224 m drill program that focused on the Silver Mantos (12 holes) and Socavon del Diablo (9 holes) zones, with the remaining 6 holes testing outside targets. The program was successful in confirming and expanding the mineralized zones at Silver Mantos and Socavon del Diablo and in discovering new mineralized zones. Results were reported in news releases dated June 14, June 20, July 5, July 10 and July 24, 2012. Following the Phase I program, both zones remained open to expansion in all directions.

On November 26, 2012, the Company announced the commencement of a Phase II drill program of approximately 6,500 metres. The drill plan included infill and expansion holes as well as the testing of new areas, with the overall program designed to define a NI 43-101 compliant silver-lead-zinc resource at Chinchillas in 2013.

The Phase II drill program was concluded in early March 2013, and exceeded the planned drilling with a total of 7,286 metres completed over 49 holes. The step-out drilling successfully expanded the Socavon del Diablo and Silver Mantos mineralized zones in most directions. In addition, a second style of mineralization was identified in, and at the contact with, the Ordovician basement pelites and sandstone schists. This basement mineralization is characterized by silver, lead and zinc in structures and breccias within the basement schists, occurring beneath the volcanic hosts.

Phase II drill results were reported in news releases dated January 16, February 27, March 14, and April 11, 2013. For full details the reader is referred to the original news releases, as well as drill plan maps and summary tables of results posted to the Company's website.

The results of all drilling were compiled and modeled, and on May 9th, 2013, the Company reported the first independent NI 43-101 compliant resource estimate for the Chinchillas Project. A technical report supporting the resource estimate is filed on SEDAR dated June 20th 2013.

In the third quarter of 2013, a surface exploration program, including surface mapping, sampling and a ground magnetic geophysical survey, was undertaken to define new drill targets in preparation for a Phase III drill program.

Prior to starting more drilling, it was determined that the size of the resource, the favorable geometry of the deposit to open pit mining, the encouraging preliminary metallurgical test results, and the good infrastructure at the property offered the Company an opportunity to complete a Preliminary Economic Assessment (PEA) to provide investors

and interested parties with a baseline for the potential economics of the Project. This study was undertaken in the fourth quarter of 2013 and the results were announced in a news release dated December 5th 2013. The NI 43-101 technical report was filed on SEDAR dated January 20th, 2014.

1.2 2014 Exploration Overview

The results of the first PEA were considered positive by the Company, however, the deposit remained open to expansion in most directions and it was apparent from the exploration work that additional drilling could significantly increase the resources and result in improved economics. In addition, new targets were developed in portions of the Project area that were granted after the Phase II drill program (see news release dated July 24th, 2013). Therefore a US\$2 million Phase III diamond drill program commenced in the first quarter of 2014 to expand the existing resources and test new target areas.

On April 24th, May 22nd, June 23rd, and July 24th, 2014, Golden Arrow released the results of drill holes targeting expansion of the resources at Chinchillas. (For completed details see the original news release filed on SEDAR.) Nearly all holes successfully intersected significant new silver, lead and zinc mineralization, particularly to the north, west, and at depth. The results were considered positive enough that the program was twice expanded to a final total of 8,985 metres of diamond drilling.

On May 29th, 2014 and July 22, 2014 Golden Arrow announced the results from eight exploration drill holes located between 300 metres and 1.5 kilometres south of the existing resource zones. These holes were located on the Chinchilla I property which was newly permitted for exploration and drilling last year. All holes returned significant intercepts of silver, lead and zinc, with several mineralized starting from near surface and continuing down the length of the hole, while remaining open at depth. Mineralization occurs in brecciated basement schists, and tuffs. Zinc was particularly prevalent in most holes, with grades as high as 3.2% in individual intercepts.

Seven of these eight holes, covering approximately 0.8 square kilometres in this “Chinchillas South” area, were used to calculate a target potential of between 100 and 160 million tonnes at grades ranging from 32 to 40 grams per tonne silver equivalent. (*Target potential grades and quantities are conceptual in nature. There has been insufficient exploration to define a mineral resource, nor is it certain that further exploration will result in the target being delineated as a resource.*) Management is pleased with the results from the exploration of these targets, many of which were blind at surface, and believes this southern area shows excellent potential for the delineation of new resources. Additional modeling, surface exploration and drilling is required to fully understand the entire area. Similar work will be planned for future exploration throughout the rest of property, of which nearly 70% remains underexplored. For full details of the target potential, and results from these holes please refer to the original news releases filed on SEDAR.

1.2.1 Updated Resource Estimate

On August 29th, 2014 Golden Arrow announced a new resource estimate for the Chinchillas project, incorporating all drill results up to and including the Phase III program. The total resources were increased by approximately 60% with a significant portion being upgraded to the Indicated category. The resources are summarized as follows:

Table 1. Mineral Resource Statement for the Chinchillas Project. August 29th, 2014.

By Kyle Howie, MAIG, Bruce Davis, FAusIMM, Bruce Smith MAusIMM

Resource Class/Zone	Tonnage (Mt)	Ag (g/t)	Pb (%)	Zn (%)	AgEq (g/t)	Ag (Moz)	Pb (Milbs)	Zn (Milbs)	AgEq (Moz)
Indicated Resources									
Silver Mantos	12.6	84.7	0.48	0.45	113.4	34.2	131.7	123.4	45.8
Mantos Basement	12.1	98.2	0.83	0.16	129.0	38.2	219.8	43.2	50.1
Total Indicated Resources	24.6	91.3	0.65	0.31	121.1	72.3	351.5	166.6	95.9
Inferred Resources									
Silver Mantos	6.2	60.1	0.59	0.62	97.8	11.9	80.3	83.7	19.4

Mantos Basement	5.3	98.8	0.85	0.11	128.8	16.7	98.9	13.1	21.8
Socavon del Diablo	7.3	27.3	0.44	1.13	76.2	6.4	70.3	182.8	17.9
Socavon Basement	3.2	49.9	0.62	0.72	91.6	5.2	44.6	51.3	9.6
Total Inferred Resources	22.0	56.9	0.61	0.68	97.1	40.2	294.1	330.9	68.7

Notes:

1. The AgEq formula used is $(Pb \times 31.172) + (Zn \times 31.172) + (Ag \times 1)$.
2. Totals may not add correctly due to rounding.
3. A resource constraining shell was developed based on metal prices of US\$35.00/ounce silver, US\$2.00/pound zinc and US\$2.00/pound lead. Within that shell, the resource has been reported using a cutoff grade of 40 g/t Ag Eq. The cutoff was determined using operating costs of US\$16.00/tonne for processing, US\$9.00/tonne for G&A (US\$25.00/t total) with metal prices of US\$22.00/oz silver, US\$1.00/pound zinc and US\$1.00/pound lead, and a process recovery of 90%, based on the 2014 Preliminary Economic Assessment. (See report filed on SEDAR dated January 20th, 2014 for details.) The pit slope used for the resource shell is 45 degrees.
4. 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.
5. The quantity and grade of reported Inferred resources are uncertain in nature and there has been insufficient exploration to classify these inferred resources as Indicated or Measured, and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured category.

Silver-lead-zinc mineralization included within the resource model occurs in four units which are differentiated based on host rock and geometry. The Silver Mantos and Socavon del Diablo zones are the upper tuff units in the western and eastern halves of the deposit respectively, with the Mantos Basement and Socavon Basement being the units hosted by the basement schists that lie generally beneath their respective tuff units.

A technical report with details supporting the resource estimate is filed on SEDAR dated October 10th, 2014.

1.2.2 Updated Preliminary Economic Assessment

On October 30th, 2014 Golden Arrow announced an updated PEA based on the August 29th 2014 resource estimate. The new mine plan included a higher daily throughput of 8,000 tonnes per day, and this along with improved metallurgy, resulted in significant improvements in the economics, including more than doubling the after-tax net present value ("NPV") of the project to US\$226 million.

With the PEA complete, the Company plans to advance the Chinchillas project to a feasibility stage in 2015, with a goal to commence mining within three years. Exploration work will also continue, as the Chinchillas deposit remains open to expansion in all directions, and approximately 70% of the property remains untested.

All mineralized material classified as indicated and inferred mineral resources are considered in the pit optimization and mine plan. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. In addition, inferred resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be characterized as mineral reserves, and it is uncertain if further exploration will result in upgrading these resources.

1.2.2.1 Project Development Plan

The project concept is to develop an owner-operated open pit silver-lead-zinc mine with an on-site concentrator using conventional flotation concentration methods to produce two concentrates; a silver-bearing lead concentrate; and a zinc concentrate.

A series of pit optimizations were run using the resource block model, applying a range of metal prices and recoveries, and estimated costs for mining, processing, and general and administrative (G&A). The operational pits were designed based on the optimized shells, and the potentially mineable portion of the resource was estimated within those pits. The ultimate pit contains a total of 114.4 million tonnes of combined mill feed and waste material including 33.8 million tonnes of mill feed, for a strip ratio of 2.4:1. The mill feed tonnage incorporates a mining ore loss factor of 3% and mining dilution at 5%.

A mill production rate of 2.9 Mt per year (8,000 t/day) is assumed. The production schedule includes one year of pre-production pre-stripping, mainly to acquire material to build the tailings starter dam, followed by twelve years of operating mine life.

It is assumed that lead and zinc concentrates will be shipped to a smelter/refiner via Antofagasta, Chile. An estimated 90 million ounces of silver are to be produced through the life of the mine, at an average head grade of 86g/t silver. In addition, 248 million pounds of zinc and 464 million pounds of lead will be produced with average head grades of 0.41% zinc and 0.66% lead respectively.

1.2.2.2 Project Economics

The PEA project economics are based on long term metal prices of \$US 22.00/oz silver, \$US 1.00/lb lead, \$US 1.00/lb zinc. The Company has assumed a base case long-term price scenario of \$22 per ounce of silver and an 8% discount rate. The commodity price assumptions were developed using a review of recent comparable peer reports and projected price information. The revenue is mainly derived from silver with lead and zinc as by-products. The silver metal generates 78% of the total revenue. Table 2 summarizes the parameters of the cash flow model.

The PEA is preliminary in nature. The project economics are based on the PEA production schedule, which contains both Indicated and Inferred resources. The reader is cautioned that Inferred Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that value from such Resources will be realized either in whole or in part.

Table 2. Cash Flow Analysis Summary

Parameter	Unit	
Average Annual Silver Production	Moz	8
Total Ag produced	Moz	90.4
Average Ag grade	g/t	85.5
Average Ag recovery (Pb Con)	%	94
Life of Mine	years	12
Total Unit operating cost	\$/t feed	\$23.19
Total Unit cash cost without credits	\$/oz Ag	\$9.22

The cash flow model includes a provincial mining royalty of 3% on the mine head value and an Argentine federal income tax at 35%. The export tax rate has been assumed at 7.5%, which is based on a 10% tax rate less a 2.5% credit for projects located in the Puna region, as outlined in Resolution No. 762/93 of the Ministry of Economy of Argentina. Table 3 summarizes the financial analysis from the cash flow model:

Table 3. Financial Analysis

	Before Tax (\$M)	After Tax (\$M)
Undiscounted Cash Flow	\$ 883.2	\$ 569.6
NPV(5% discount rate)	\$ 515.2	\$ 321.8
NPV (8% discount rate)	\$ 372.8	\$ 225.5
NPV (10% discount rate)	299.5	175.9
NPV (12% discount rate)	\$ 239.4	\$ 135.2
IRR	30.0%	24.3%
Payback (years)	3.2	3.4

Capital and operating costs were estimated at +/-35% by the Qualified Persons based on their experience with similar operations. The capital and operating costs are summarized in Tables 4 and 5 below:

Table 4. Summary of Capital Costs, including 20% contingency, US\$(millions)

Pre-production Capital (Includes pre-stripping, mining capital costs, process	\$ 237 M
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plant, infrastructure)	
Sustaining Capital over life-of-mine	\$ 84 M
Total Capital	\$321 M

Table 5. Summary of Unit Operating Cost Assumptions, US\$

		Unit Cost	\$/t feed
Mining – Feed	\$/t material	2.33	7.90
Processing	\$/t feed	12.25	12.25
Tailings	\$/t feed	0.09	0.09
G&A	\$/t feed	2.95	2.95
Total			23.19

1.2.2.3 Metallurgy and Processing

Metallurgical test work was undertaken at Bureau Veritas Commodities Canada Ltd. Inspectorate Metallurgical Division and the PEA incorporates test results to July 2014. Samples representing the Mantos Basement (BAS), Silver Mantos (MAN), and Socavon del Diablo (SOC) zones of mineralization have been tested through a locked cycle process and therefore three corresponding ore types were considered in the PEA. The Socavon basement zone is newly identified and has not yet been subject to metallurgical testing, however the mineralization of that zone is similar to that of Mantos Basement and therefore for the purposes of the PEA it was considered to behave in a similar fashion and be part of ore type 1 “BAS”.

The samples have demonstrated amenability to selective flotation and yielded commercial concentrates by conventional methods, and there are no significant penalty elements in the concentrates. The metallurgical test work completed to date is preliminary, and on-going work will look at more detailed sampling and testing of all mineralization types.

The planned processing plant for Chinchillas is designed to process polymetallic mineralization at a rate of 8,000 tonnes per day. The proposed processing flow sheet consists of primary crushing, grinding in SAG/Ball mills and differential flotation to sequentially float ore from the pulp, producing first a silver-bearing lead concentrate and then a zinc concentrate. The rougher concentrates will subsequently be cleaned to enhance concentrate grades.

The Chinchillas Project’s recovery assumptions for the ore types are summarized Table 6. The silver concentrate grades are variable since they are dependent on the head grades mined in each year and the average annual grades are shown. Lead and zinc concentrate grades are fixed.

Table 6. Recovery Assumptions for Payable Metals

Lead Concentrate (Silver grades are annual averages)						
	Ore_1 (BAS)		Ore_2 (MAN)		Ore_3 (SOC)	
	Lead	Silver	Lead	Silver	Lead	Silver
Recovery	93.5%	95.0%	95.0%	94.5%	94.5%	93.0%
Grade	70.0%	8.3 kg/t	62.2%	10.3 kg/t	66.0%	3.8 kg/t
Zinc Concentrate (Silver grades are annual averages)						
	Ore_1 (BAS)		Ore_2 (MAN)		Ore_3 (SOC)	
	Zinc	Silver	Zinc	Silver	Zinc	Silver
Recovery	75.0%	3.0%	80.0%	2.3%	85.0%	4.0%
Grade	52%	1.3 kg/t	53.0%	271 g/t	60.0%	70 g/t

1.2.2.4 Infrastructure

With the Silver Standard’s Pirquitas operation 30 kilometres away, good infrastructure to support mining is in place and the Project has two all season access routes. Power is available at the nearby village of Santo Domingo; however it is not sufficient for the mining operation and project development would require additional power supplies to be sourced. It is assumed that a new high voltage (69 kV) power line would be constructed from Abra Pampa to the project site, a distance of 66 km. Water for future processing operations will be sourced from local

and regional wells. Site water management facilities will include diversion channels for non-contact water and collection channels for contact water. Water will be conserved and recycled to the maximum extent possible. Chinchillas will produce thickened tailings that will be stored within a lined tailings impoundment that will be constructed and expanded in stages using mine waste rock to distribute expenditures over the life of the mine.

1.2.2.5 Economic Sensitivity

A sensitivity analysis was conducted based on several metal price cases, as summarized in Table 7 below. The economic results for the variable metal prices do not incorporate modifications to the production plan tonnages and grades that may be driven by the variable prices. The same production profile is maintained for all price scenarios.

Table 7. Sensitivity Analysis to Silver Price, 8% Discount Rate

Silver Price Per Ounce US\$ (Lead and Zinc at US\$1.00)	After-tax NPV^{8%} (\$M)	After-tax IRR	After-tax Payback Period (years)
17	\$ 90.2	14.9%	5.2
22	\$ 225.5	24.3%	3.4
25	\$ 305.0	29.2%	2.6

The sensitivity analysis indicates that the project demonstrates positive value at all three silver price scenarios. The preliminary economic assessment is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

1.2.2.6 NI 43-101 Technical Report

The NI 43-101 Technical Report supporting the updated PEA was filed on SEDAR dated December 3rd 2014. Following a general disclosure review by the British Columbia Securities Commission (see news release dated February 10th 2015), the Company filed an amended Technical Report on SEDAR dated February 13th, 2015. The amended PEA report mainly clarifies cautionary language in accordance with NI 43-101 and contains no material changes to the preliminary economic parameters.

The technical report was coordinated by independent consultant Ken Kuchling, P.Eng., a mining engineer specializing in economic reviews and an independent Qualified Person as defined in NI 43-101. Additional contributing Qualified Persons on the report include:

- Ken Embree, P.Eng. of Knight Piésold Ltd (tailings and infrastructure)
- John Fox, P.Eng. of Laurion Consulting Inc. (metallurgy)
- Bruce Davis, Ph.D. FAusIMM of BD Consulting Inc. (resource estimate)
- Kyle Howie, MAIG (resource estimate)
- Bruce Smith, M.Sc. (C.P.) MAusIMM (geological interpretation).

1.2.3 Phase IV Drill Program

In November 2014 the Company commenced a fourth drilling program at Chinchillas. The program was planned to include up to 16,000 metres of diamond drilling to contribute to a feasibility study. The program goals include: testing the limits of the deposit in all directions, including at depth; in-filling drill hole spacing to facilitate the upgrade of the resource categories to Measured and Indicated, and; drilling for infrastructure and geotechnical studies.

1.3 Subsequent Events

On January 6th, January 19th, March 17th, April 1st, and April 15th, 2015, Golden Arrow released the results from the Phase IV drill program. (For completed details see the original news releases filed on SEDAR.) Nearly all holes successfully intersected new silver, lead and zinc mineralization and most are expected to contribute to an increase in resources and/or upgrading of resource categories later in the year. At the time of writing, the drill program was

stopped with 11,162 metres drilled, and the last set of results outstanding. The Company plans to wait for the remaining results before planning any further holes.

2. Net Smelter Royalty with Yamana, Gualcamayo Mine, San Juan

On May 29, 2009 the Company received its first quarterly payment from Yamana Gold Inc. ("Yamana") from the Company's 1% net smelter returns royalty ("NSR") from the production at Yamana's Gualcamayo gold mine, located in San Juan, Argentina.

On November 12, 2012, the Company announced the closing of the sale by Golden Arrow and purchase by Premier Gold Mines Limited (PG:TSX, "Premier Gold") through its wholly-owned subsidiary, Premier Royalty Inc. ("Premier Royalty"), of the 1% NSR on Yamana Gold Inc.'s Gualcamayo Gold mine (the "Royalty"). Premier Royalty purchased the Royalty for \$16,500,000 in cash plus 1 million warrants to purchase an aggregate of up to 1 million shares of Premier Royalty at an exercise price per share equal to 120% of the IPO or "go public" price for a period of two (2) years after the date of issue of the warrants (the "expiry date"). The Company will have the right (the "Put Right") on 30 days' notice to require Premier Royalty to acquire all warrants outstanding at the time for cancellation for a purchase price of \$1.25 per warrant at any time prior to the expiry date for a total of \$1,250,000 if all warrants are put to Premier Royalty. Premier Gold has agreed to guarantee Premier Royalty's obligations under the Agreement, including the payment obligation upon the Company's exercise of the Put Right making the total transaction price a minimum of \$17,750,000.

During the year ended December 31, 2013, all the issued and outstanding common shares of Premier were acquired by Sandstorm Gold Ltd. ("Sandstorm") and as a result of the acquisition, the Company was entitled to exercise its 1,000,000 warrants of Premier to purchase 145,000 common shares of Sandstorm. Sandstorm also acquired the Put Right obligation in favor of the Company as a result of its acquisition of Premier.

On July 18, 2014, the Company exercised its put right with Sandstorm Gold Inc. to acquire all warrants outstanding for cancellation for a total of \$1,250,000.

3. Mogote Property, San Juan

On June 3, 2009, the Company announced that it had entered into a binding property transfer agreement to acquire from Iron South Mining Corp. four Peruvian property concessions and the remaining 51% interest in the 8,300 hectare Mogote copper-gold-silver property not already held by the Company. This transaction received shareholder approval on July 22, 2009 and regulatory approval on July 29, 2009. The Mogote project now includes approximately 8,800 hectares strategically-located in the Vicuna District of northern San Juan Province which includes NGEx Resources Inc.'s Josemaria copper-gold deposit in Argentina and Goldcorp Inc./New Gold's El Morro gold-copper porphyry in Chile.

On September 9, 2010 the Company announced that it had entered into an option agreement with Vale Exploracion Argentina, S.A. ("VEASA"), a wholly-owned subsidiary of Vale S.A. ("Vale"), on its Mogote project

During the first year program on Mogote Vale completed detailed lithological and alteration mapping on the Zona Colorida and Stockwork Hill zones, rock sampling, petrography and PIMA work as well as 40 lines of geophysics including 32 km of IP, 180 km of ground magnetics, 51 km of radiometrics and 170 km of digital GPS surveying. The geophysical surveys covered the central and a portion of the southern Mogote property.

In 2012, Vale completed a 7 hole, 3,695 m drill program at Mogote. Vale's drilling confirmed the existence of a copper porphyry system below the large and prominent steam leached alteration zone at the Zona Colorida. (see News Release dated June 18, 2012.) On January 14, 2013, the Company announced that Vale commenced a 10-hole, 7,500 m drill program at Mogote. The drill program targeted both porphyry copper-gold and precious metal epithermal mineralized zones identified during the 2011-12 field program, specifically the 3 holes in Filo Este, 3 holes in Filo Central, 2 holes in Zona Colorida and 2 holes in Stockwork hill.

On July 24, 2013, the Company announced that Vale provided notice of its decision to terminate the option agreement on the Mogote project. The Company is currently seeking new joint venture partners for the project.

4. Fronterra District, Potrerillos Gold-Silver Project, San Juan

The Potrerillos property is located approximately 8 km due east of Barrick Gold's Veladero deposit, covering an area of 3,999 ha and shares many geologic similarities with both Veladero and nearby Pascua-Lama. Previous exploration campaigns were carried out on behalf of Golden Arrow's precursor company during 1999, 2000, and 2001. These resulted in the delineation of three significant target areas: Fabiana, Narelle and Panorama. Most work was focused on Fabiana and a short RC drill program was carried out on the Fabiana Zone in 2001 with no significant results. A data review and field visit to these properties was carried out in late 2008. No work was carried out during 2009.

In 2010, the Company commenced a comprehensive exploration program that continued through Q1 2011, focusing on the Panorama Zone where only limited prior sampling had been carried out. Three main styles of mineralization were defined:

- The Panorama Veins occur within an area approximately 1 km long by 50 m wide. Veta Juliet, one of several recently discovered veins, is 3.7 m wide where exposed, and has been traced on surface for over 100 m; a rock chip sample collected across the main outcrop grades 7.96 g/t Au and 665 g/t Ag over 2 m.
- Las Bandas are a series of very large gold-silver bearing calcite and quartz "bands" or veins that have been traced over a strike length of approximately 1 km. Outcrop exposures range from 12 to 20 m wide and contain significant gold-silver mineralization with select grab samples grading up to 3.07 g/t Au and 441 g/t Ag.
- Copper South is a series of discrete copper-silver occurrences located in a 2.5 km by 1.2 km area. Copper grades from selectively collected samples can be exceptionally high; for example a 1m chip returned 17.4% Cu and 38 g/t Ag. The zones are typically 2 to 10 m wide, by several hundred meters long.

In early 2011, the Company completed 508 m in 3 diamond drill holes of a planned 10 hole 3,000 m program. The program was cut short due to challenging weather and drilling conditions. The drilling targeted the Las Bandas-Panorama Veins target area, which together have a strike length of 2.6 km. The completed holes all stopped short of planned depth and many drill targets remain untested by drilling. Following are the highlights from the 3 holes:

- POT1 2011: The hole was drilled to 277 m total depth targeting Panorama Veins. Anomalous gold and silver values were intersected between 23 m and 40 m within silica veins and silicified breccias in andesite. The mineralized interval included 1 m at 1.14 g/t Au and 3.94 g/t Ag (32 m to 33 m) and 1 m at 1.57 g/t Au and 145.86 g/t Ag (39 m to 40 m).
- POT2 2011: This hole was drilled to 130 m total depth targeting Las Bandas. From 95 m to 103 m the hole cut 8 m averaging 0.25 g/t Au and 31.21 g/t Ag within an interval of drusy quartz-calcite stockwork veinlets hosted by silicified andesite.
- POT3 2011: This hole was drilled to 100.5 m total depth targeting Las Bandas. From 62 m to 65 m the hole cut 3 m averaging 0.01 g/t Au and 131.90 g/t Ag hosted by quartz calcite veinlets at the thrust contact between andesite volcanics and overlying rhyolites.

No work was carried out on the Potrerillos property during 2014. The property remains permitted, in good standing, and the Company is seeking an option or joint venture partner for the project.

5. Pescado Gold Project, San Juan

The Company holds 11 mineral claims in the Gualcamayo area of San Juan. These 100% owned claims cover nearly 22,000 ha and form the Pescado Gold Project.

In 2008, the Company negotiated with Barrick Gold Exploration through its subsidiary Barrick Exploraciones Argentina S.A. ("BEASA") to provide a right of way to access water from Golden Arrow's Rio de las Taguas property. In exchange for providing access to water for BEASA's Pascua Lama gold project, Golden Arrow acquired from BEASA 100% of the 1,592 ha Aspero 1 claim which is contiguous to the Pescado Gold Project.

The northern boundary of the Pescado Gold Project is 10 km south of the main gold zone on the Gualcamayo gold mine, in a similar geological and structural setting. It is between 1,500 m and 3,000 m elevation and is accessible for year-round exploration. To date the Pescado Gold Project properties have all had systematic silt sampling,

follow-up soil grids and rock sampling surveys carried out, with the exception of Durazno which has had only preliminary silt and rock sampling completed. In total 806 rock samples, 383 stream sediment samples and 479 soil samples have been collected on the project. Highlights from rock chip sampling include: 1 m of 17.59 g/t Au; 1 m of 10.75 g/t Au and 1 m of 6.68 g/t Au (Pescado I and II); 2 m of 1.27 g/t Au; 2 m of 3.46 g/t Au and 2 m of 3.15 g/t Au (Yanso); 2 m of 0.13 g/t Au, 10.2 g/t Ag, >1% Cu, 3,535 ppm Pb and 2,719 ppm Zn (Durazno). A helicopter-borne aeromagnetic survey was conducted on the Pescado Gold Project in 2008. The survey was flown by New Sense Geophysics Limited and comprised 1,870 line kilometres covering the entire 18,000 ha property with 200 m spaced lines.

The Company is now seeking other potential optionors for the property.

6. Caballos, La Rioja

On September 8, 2011 Golden Arrow announced it had acquired the approximately 22,900 ha. Caballos Project through staking. The property is located in a prospective porphyry copper and epithermal gold-silver district along the Chilean border in western La Rioja Province.

The Company has completed two initial prospecting and sampling campaigns on Caballos, identifying a new high-grade porphyry copper showing, the Caballos Copper Zone, and the Refugio de Plata Zone, a partially exposed vein/breccia silver target.

Highlights from limited initial sampling include:

- 12 m @ 2.4% Cu from a composite rock chip sample across a diorite porphyry outcrop at the Caballos Copper Zone.
- 1 m @ 303 g/t Ag and 0.11 g/t Au from a chip sample of mineralized breccia at the Refugio de Plata Zone.

On January 30, 2012 Golden Arrow announced it had staked a new license, Ritsuko (3,237 ha), and the Company's total land holdings in the prospective Caballos district now stands at approximately 25,195 ha.

The Company completed bulldozer road access in January along with trenching and sampling. Talus fine sampling has defined a 1.4 km anomalous zone with up to 1,667 ppm Cu and up to 150 ppb Au.

During Q1 2012, the Company completed a program of detailed ground magnetic and IP/Resistivity surveys at Caballos to define drill targets. On March 1, 2012, the Company announced that the program had resulted in the discovery of a large copper-gold porphyry target. The magnetic core of the interpreted porphyry system, 300 m by 800 m in dimensions, is largely covered by talus. The IP/Resistivity survey, conducted by Quantec Geoscience, shows a large chargeability high that closely correlates with the interpreted magnetic porphyry core. Talus fine sampling has been completed in the southern half of the porphyry target, defining an 1,100 m by 400 m area with elevated with copper geochemistry (+50 ppm Cu envelope with a high of 1667 ppm Cu) and, in an overlapping but slightly reduced area, a gold geochemical anomaly (+20 ppb Au envelope with a high of 149 ppb Au), both centered on the quartz-magnetite stockwork exposure.

The Company is seeking an option or joint venture partner for the property.

7. Don Bosco, La Rioja

On June 1, 2011 the Company announced it had acquired by staking a 100% interest in the 32,800 ha Don Bosco Project in western La Rioja Province, Argentina. The project has since been reduced to a core set of properties of approximately 9,300 ha. The project is located in the Pre-Cordillera region and elevations range from 2,500 m to 3,500 m above sea level. Work can be conducted all year round and a paved highway allows easy access to the southern part of the property.

The Don Bosco Project includes historical copper and gold prospects and high-grade mineralized zones identified by the Company's reconnaissance team. Golden Arrow has completed several prospecting/sampling campaigns on Don Bosco. To date a total of 514 rock chip samples have been collected from three distinct target areas on Don Bosco; San Alberto - El Pircado Cu-Au skarn, Llantenos Copper zone and Las Minitas Silver zone.

Highlights for each zone include:

- San Alberto-El Pircado Zone
 - 2.4m averaging 2.04 g/t Au, 114 ppm Ag and 10.0% copper
- Llantenes Zone
 - 25% Cu, 0.64 g/t Au, 82 g/t Ag (grab sample)
 - 2m grading 3.3% Cu (chip sample)
- Las Minitas Silver Zone
 - 111 g/t Ag over 1m (chip sample)

The skarn-type mineralization identified in the north-central portion of the Don Bosco Project in the San Alberto-El Pircado zones covers an area 1.3 km by 900 m. Skarn mineralization appears to be developed primarily within limestone protoliths bordering a large granite intrusive body to the east. It is exposed along east-west ridge lines and flanks at San Alberto (northern ridge) and El Pircado (southern ridge) which are separated by a deeply incised valley with little exposure. Limestone protolith skarn mineralization is both structurally controlled and disseminated. Classic skarn mineralogy includes magnetite hornfels, massive amphibole zones and disseminated garnet and wollastonite zones.

The Company is seeking an option or joint venture partner for the property.

Selected Annual Financial Information

The following selected consolidated financial information is derived from the audited consolidated financial statements and notes thereto.

	Years Ended December 31,		
	2014 \$	2013 \$	2012 \$
Royalty revenue	Nil	Nil	1,944,806
Net (loss) income for the year	(8,531,848) ⁽³⁾	(6,743,719) ⁽¹⁾	12,693,358
(Loss) earnings per share – basic and diluted	(0.21)	(0.16)	0.23
Total Assets	3,208,679 ⁽⁴⁾	8,009,791 ⁽²⁾	14,763,742

- (1) The decrease is primarily related to decreases in gain on sale of royalty of \$16,258,188 and \$1,944,806 in royalty income partially offset by \$6,855,911 in loss from operating activities (which includes \$3,974,791 in exploration expenditures during 2013).
- (2) The decrease is primarily related to decreases in cash and short-term investments of \$6,979,805 partially offset by an increase in mineral property interests of \$365,418.
- (3) The increase is primarily related to an increase in loss from operating activities \$2,319,019 partially offset by foreign exchange gains of \$747,110.
- (4) The decrease is primarily related to decreases in cash and investments of \$5,048,766 partially offset by an increase in mineral property interests of \$293,915.

Results of Operations – For the year ended December 31, 2014 compared to the year ended December 31, 2013

Loss from operating activities

During the year ended December 31, 2014, loss from operating activities increased by \$2,319,019 to \$9,133,000 compared to \$6,813,981 for the year ended December 31, 2013. The increase in loss from operating activities is largely due to:

- An increase of \$2,289,037 in exploration. Exploration expense was \$6,263,828 for the year ended December 31, 2014 compared to \$3,974,791 for the year ended December 31, 2013. The Company completed its Phase III and IV diamond drilling programs, consisting of 12,317m of a planned 16,000m drilled and completed a new resource estimate at its Chinchillas project in Jujuy, Argentina during the year ended December 31, 2014 compared to the completion of its Phase II drill program consisting of 7,286m drilled as well as additional exploration drilling, surface mapping, ground magnetic geophysical surveys, metallurgical testing, geological modeling, an independent NI 43-101 Technical Report, and commenced preliminary engineering studies at its Chinchillas project in Jujuy, Argentina during the year ended December 31, 2013.

- An increase of \$59,190 in office and sundry. Office and sundry was \$234,820 for the year ended December 31, 2014 compared to \$175,630 for the year ended December 31, 2013. The Company was charged a higher amount for its usage relating to Grosso Group's costs due to increased activity during the year ended December 31, 2014 compared to a lower amount for its usage relating to Grosso Group's costs due to less activity during the year ended December 31, 2013.
- An increase of \$290,644 in share-based compensation. Share-based compensation was \$319,902 for the year ended December 31, 2014 compared to \$29,258 for the year ended December 31, 2013. The increase is due to 2,605,000 fully vested stock options granted and the incremental vesting of 300,000 stock options granted during the year ended December 31, 2014 compared to 200,000 fully vested stock options granted during the year ended December 31, 2013.

These increases were partially offset by:

- A decrease of \$64,747 in salaries and employee benefits plus administration and management services. Salaries and employee benefits plus administration and management services were \$1,161,551 for the year ended December 31, 2014 compared to \$1,226,298 for the year ended December 31, 2013. The decrease is due to fewer executives and related compensation and no one-time performance bonus or severance payments made for the year ended December 31, 2014 compared to the hiring of a new Vice President Exploration and Development, increased staff levels and related compensation, and a one-time performance bonus of \$50,000 and severance of \$110,378 paid to the former Chief Financial Officer, and severance of \$62,500 paid to the former Chief Executive Officer during the year ended December 31, 2013.
- A decrease of \$120,520 in corporate development and investor relations. Corporate development and investor relations was \$452,914 for the year ended December 31, 2014 compared to \$573,434 for the year ended December 31, 2013. The Company undertook a lesser number of activities relating to promotion of the Company's projects during the year ended December 31, 2014 compared to a greater number of activities relating to promotion of the Company's projects, with primary emphasis on its completed drill program and resource estimate on the Chinchillas property, during the year ended December 31, 2013.
- A decrease of \$127,078 in travel and accommodation. Travel and accommodation was \$151,418 for the year ended December 31, 2014 compared to \$278,496 for the year ended December 31, 2013. Less travel was required due to decreased business development activity during the year ended December 31, 2014 compared to a greater amount of travel required due to increased business development activity during the year ended December 31, 2013.

Other items

During the year ended December 31, 2014, other items increased by \$530,890 to \$601,152 compared to \$70,262 for the year ended December 31, 2013. The increase in other items is largely due to:

- An increase of \$789,040 in foreign exchange gain. Foreign exchange gain was \$747,110 for the year ended December 31, 2014 compared to a foreign exchange loss of \$41,930 for the year ended December 31, 2013. The increase is due to the purchase and sale of Argentinean government bonds, for the purpose of funding the Company's Argentinean subsidiary, exchanged at favorable foreign exchange rates resulting from the fluctuation of the Argentinean Peso and US dollar against the Canadian dollar during the year ended December 31, 2014. No such similar transactions took place during the year ended December 31, 2013.
- An increase of \$66,085 in loss on sale of marketable securities. Loss on sale of marketable securities was \$66,085 for the year ended December 31, 2014 compared to \$Nil in loss on sale of marketable securities for the year ended December 31, 2013. The increase is due to the purchase and sale of Argentinean government bonds, for the purpose of funding the Company's Argentinean subsidiary, at less favorable prices resulting from the fluctuation of the Argentinean bond market during the year ended December 31, 2014 compared to no such transactions undertaken during the year ended December 31, 2013.
- An increase of \$100,050 in write-off of mineral property interest. Write-off of mineral property interests

was \$100,050 for the year ended December 31, 2014 compared to \$Nil in write-off of mineral property interests for the year ended December 31, 2013. The company terminated its mineral property interest on the Darmar property during the year ended December 31, 2014 compared to no such terminations of mineral property interests during the year ended December 31, 2013.

- A decrease of \$81,096 in interest income. Interest income was \$20,177 for the year ended December 31, 2014 compared to \$101,273 in interest income for the year ended December 31, 2013. The Company maintained less interest bearing cash balances during the year ended December 31, 2014 compared to larger interest bearing cash balances during the year ended December 31, 2013.

The net loss for the year ended December 31, 2014 was \$8,531,848 or \$0.21 per basic and diluted share compared to \$6,743,719 or \$0.16 per basic and diluted share for the year ended December 31, 2013.

Cash Flow

Operating Activities

Cash outflow from operating activities was \$6,931,688 for the year ended December 31, 2014 compared to \$6,546,710 for the year ended December 31, 2013. The increase in cash outflow results primarily from higher corporate and administrative cash costs, and changes in non-cash working capital balances due to timing of receipt and payment of cash compared to the prior period.

Investing Activities

Cash inflow from investing activities was \$1,672,902 for the year ended December 31, 2014 compared to \$11,165,501 for the year ended December 31, 2013. Mineral property expenditures were \$293,915 during the year ended December 31, 2014 compared to \$365,418 during the year ended December 31, 2013 primarily due to the option payments on the Chinchillas property during these respective periods. The Company purchased marketable securities of \$3,048,225 and disposed marketable securities of \$3,765,042 during the year ended December 31, 2014 compared to no similar transactions during the year ended December 31, 2013. The Company redeemed short-term investments of \$Nil and purchased short-term investments of \$Nil during the year ended December 31, 2014 compared to redemptions of short-term investments of \$15,359,000 and purchases of short-term investments of \$3,809,475 during the year ended December 31, 2013. Proceeds from the exercise of warrant put right was \$1,250,000 during the year ended December 31, 2014 compared to \$Nil during the year ended December 31, 2013. Property and equipment expenditures were \$Nil during the year ended December 31, 2014 compared to \$30,000 during the year ended December 31, 2013. Proceeds from the sale of property and equipment were \$Nil during the year ended December 31, 2014 compared to \$10,919 during the year ended December 31, 2013.

Financing Activities

Cash inflow from financing activities was \$1,458,865 for the year ended December 31, 2014 compared to an outflow of \$48,596 for the year ended December 31, 2013. Repurchases of common shares were \$172,234 and share repurchase costs were \$1,909 relating to the Company's share repurchase program for the year ended December 31, 2014 compared to repurchases of common shares of \$48,005 and share repurchase costs of \$591 for the year ended December 31, 2013. Proceeds from the issuance of common shares and warrants were \$1,016,000 offset by share issue costs of \$26,640 for the year ended December 31, 2014 compared to \$Nil for the year ended December 31, 2013. Subscription receipts in advance of common shares to be issued was \$643,648 for the year ended December 31, 2014 compared to \$Nil in subscription receipts in advance of common shares to be issued for the year ended December 31, 2013.

Results of Operations – For the three months ended December 31, 2014 compared to the three months ended December 31, 2013

Loss from operating activities

During the three months ended December 31, 2014, loss from operating activities increased by \$858,739 to \$2,263,353 compared to \$1,404,614 for the three months ended December 31, 2013. The increase in loss from operating activities is largely due to:

- An increase of \$800,302 in exploration. Exploration expense was \$1,554,895 for the three months ended December 31, 2014 compared to \$754,593 for the three months ended December 31, 2013. The Company began Phase IV of its diamond drill program consisting of 3,332m of a planned 16,000m drilled at its Chinchillas project in Jujuy, Argentina during the three months ended December 31, 2014 compared to sampling ground magnetic geophysical and IP-resistivity surveys to define drill targets for the Phase III drill program at its Chinchillas project during the three months ended December 31, 2013.
- An increase of \$76,610 in salaries and employee benefits plus administration and management services. Salaries and employee benefits plus administration and management services were \$320,013 for the three months ended December 31, 2014 compared to \$243,403 for the three months ended December 31, 2013. The Company was charged a higher amount for its usage relating to Grosso Group's costs due to increased administration and management of the Company's activities during the three months ended December 31, 2014 compared to a lower amount for its usage relating to Grosso Group's costs due to less administration and management of the Company's activities during the three months ended December 31, 2013.

Other items

During the three months ended December 31, 2014, other expenses increased by \$81,265 to \$77,081 compared to other income of \$4,184 for the three months ended December 31, 2013. The increase in other items is largely due to:

- An increase of \$100,050 in write-off of mineral property interest. Write-off of mineral property interests was \$100,050 for the three months ended December 31, 2014 compared to \$Nil in write-off of mineral property interests for the three months ended December 31, 2013. The company terminated its mineral property interest on the Darmar property during the three months ended December 31, 2014 compared to no such terminations of mineral property interests during the three months ended December 31, 2013.

The net loss for the three months ended December 31, 2014 was \$2,340,434 or \$0.06 per basic and diluted share compared to \$1,400,430 or \$0.03 per basic and diluted share for the three months ended December 31, 2013.

Cash Flow

Operating Activities

Cash outflow from operating activities was \$1,320,781 for the three months ended December 31, 2014 compared to \$1,067,594 for the three months ended December 31, 2013. The increase in cash outflow results primarily from higher corporate and administrative cash costs, and changes in non-cash working capital balances due to timing of receipt and payment of cash compared to the prior period.

Investing Activities

Cash inflow from investing activities was \$6,487 for the three months ended December 31, 2014 compared to an outflow of \$17,925 for the three months ended December 31, 2013. Mineral property expenditures were \$49,340 during the three months ended December 31, 2014 compared to \$17,925 during the three months ended December 31, 2013 primarily due to the option payments on the Chinchillas property during these respective periods. The Company purchased marketable securities of \$109,045 and disposed of marketable securities of \$164,872 during the three months ended December 31, 2014 compared to no similar transactions during the three months ended December 31, 2013.

Financing Activities

Cash inflow from financing activities was \$1,633,008 for the three months ended December 31, 2014 compared to an outflow of \$48,596 for the three months ended December 31, 2013. Repurchases of common shares were \$Nil and share repurchase costs were \$Nil relating to the Company's share repurchase program for the three months ended December 31, 2014 compared to repurchases of common shares of \$48,005 and share repurchase costs of \$591 for the three months ended December 31, 2013. Proceeds from the issuance of common shares and warrants were \$1,016,000 offset by share issue costs of \$26,640 for the three months ended December 31, 2014 compared to \$Nil for the three months ended December 31, 2013. Subscription receipts in advance of common shares to be issued was \$643,648 for the three months ended December 31, 2014 compared to \$Nil in subscription receipts in advance of common shares to be issued for the three months ended December 31, 2013.

Balance Sheet

At December 31, 2014, the Company had total assets of \$3,208,679 compared with \$8,009,791 in total assets at December 31, 2013. The decrease primarily results from a decrease in cash and cash equivalents of \$3,799,921 and investments of \$1,248,845 due to exploration expenditures and on-going corporate and administrative cash costs.

SELECTED QUARTERLY FINANCIAL INFORMATION

	2014				2013			
	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net (Loss) Income	(2,340,434) ⁽⁷⁾	(1,195,201) ⁽⁶⁾	(2,998,812) ⁽⁵⁾	(1,997,401) ⁽⁴⁾	(1,400,430) ⁽³⁾	(1,072,917) ⁽²⁾	(1,761,366) ⁽¹⁾	(2,509,006)
Net (Loss) Income per Common Share Basic and Diluted	(0.06)	(0.03)	(0.07)	(0.05)	(0.03)	(0.03)	(0.04)	(0.06)

- (1) Decrease primarily driven by a decrease in exploration expenditures of \$753,022, and salaries and employee benefits and management services of \$132,813 partially offset by an increase in corporate development and investor relations of \$80,560 and foreign exchange loss of \$36,823.
- (2) Decrease primarily driven by a decrease in exploration expenditures of \$410,064, salaries and employee benefits and management services of \$69,535 and corporate development and investor relations of \$120,836.
- (3) Increase primarily driven by an increase in exploration expenditures of \$205,577, professional fees of \$74,637 and corporate development and investor relations of \$17,958.
- (4) Increase primarily driven by an increase in exploration expenditures of \$686,761, foreign exchange gain of \$280,942 and share-based compensation of \$264,903 partially offset by a decrease in professional fees of \$68,985.
- (5) Increase primarily driven by an increase in exploration expenditures of \$1,140,353.
- (6) Decrease primarily driven by a decrease in exploration expenditures of \$1,821,132.
- (7) Increase primarily driven by an increase in exploration expenditures of \$819,221, write-off of mineral property interests of \$100,050 partially offset by a decrease in foreign exchange gain of \$232,079.

Liquidity and Capital Resources

The Company has experienced recurring operating losses and has accumulated an operating deficit of \$23,810,048 at December 31, 2014 (December 31, 2013 - \$15,278,200) and equity of \$2,787,289 at December 31, 2014 (December 31, 2013 - \$7,578,819). In addition, the Company had working capital of \$1,011,867 at December 31, 2014 (December 31, 2013 - \$5,949,501). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors create material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments (as disclosed in Note 10 of the Company's consolidated financial statements) and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals. The Company's consolidated financial statements do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

As the Company is an exploration stage company, revenues have been limited to interest earned on cash held with the Company's financial institutions. For the year ended December 31, 2014, the Company recorded interest income of \$20,177, resulting from maintaining lower interest bearing cash balances during the period, compared to \$101,273 for the year ended December 31, 2013.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company does not know of any trends, demand, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the exploration programs. The Company does not have any loans or bank debt and there are no restrictions on the use of its cash resources.

Commitments

	1 Year \$	2 Years \$	3 Years \$	4-5 Years \$	More than 5 Years \$
Management Services Agreement	990,000	990,000	-	-	-

Management Services Agreement

On April 1, 2010, the Company entered into an Agreement with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by an officer and director of the Company and also has another common director with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current monthly fee is \$82,500 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

Chinchillas Option Agreement

Under the terms of the Chinchillas Option Agreement, signed August 3, 2011, Golden Arrow may acquire a 100% interest in the Chinchillas project by making additional cash payments to the vendor totaling \$1,186,000 through 2015, as shown below:

Option Payment USD \$	Date
6,000	January 21, 2015 (paid)
6,000	February 21, 2015 (paid)
6,000	March 21, 2015 (paid)
6,000	April 21, 2015 (paid)
6,000	May 21, 2015
6,000	June 21, 2015
250,000	July 6, 2015
900,000	July 21, 2015
1,186,000	

Furthermore the Company must make an additional payment of USD\$1,200,000 to the vendor upon the commencement of commercial production.

Shares for Services

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	\$	\$	\$	\$	\$
Drilling Services	1,060,392	-	-	-	-
Heavy Equipment Services	46,404				
Subscription receipts	643,648				

Drilling Services

Under the terms of a shares for services agreement (the “Agreement”) signed March 10, 2014 and as amended on November 1, 2014, up to 16,000 meters of drilling shall be paid for by issuing up to a total of 2,378,404 common shares of the Company subject to TSX Venture exchange approval. The issued shares will be escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the date of completion of the drilling services or the expiry of three years following the date of the Agreement.

At December 31, 2014, the Company had issued 336,134 (2013 – Nil) common shares and has recognized \$1,060,392 (2013 - \$Nil) for 4,678 meters drilled up to December 31, 2014 to be paid for by issuing common shares of the Company subject to TSX Venture exchange approval in accordance with the terms of the Agreement. See Subsequent Events for further information.

Heavy Equipment Services

Under the terms of a shares for heavy equipment services contract (the “Contract”) signed November 1, 2014, up to 1,200 hours of heavy equipment services shall be paid for by issuing up to a total of 98,783 common shares of the Company.

At December 31, 2014, the Company has recognized \$46,404 (2013 - \$Nil) for 400 hours of heavy equipment services to be paid for by issuing common shares of the Company subject to TSX Venture exchange approval in accordance with the terms of the Contract.

Subscription Receipts

On November 18, 2014, the Company announced that it had entered into a Memorandum of Understanding whereby the Company may be advanced up to \$1,120,445 in cash for the proposed issuance of 884,112 common shares of the Company at a price of US\$1.214777 per share subject to TSX Venture exchange approval.

At December 31, 2014, the Company was advanced US\$537,000 (CDN\$643,648) representing 442,056 common shares of the Company to be issued at a price of US\$1.214777. See Subsequent Events for further information.

Capital Stock

At December 31, 2014, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

As at December 31, 2014, an aggregate of 46,239,789 common shares were issued and outstanding. As at the date of this report, 49,941,013 common shares were issued and outstanding.

Details of Issues of Common Shares in 2014

On August 15, 2014, the Company obtained TSX Venture Exchange approval to issue 336,134 common shares of the Company as payment for completion for certain drilling services. The issued shares were escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the date of completion of the drilling services or the expiry of three years following the date of the Agreement.

On December 22, 2014, the Company completed the first tranche of a non-brokered private placement consisting of 5,080,000 units at a price of \$0.20 per unit for gross proceeds of \$1,016,000. Each unit consisted of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the

Company at a price of \$0.25 per share for two years from the date of issue of the warrant. The Company is entitled to accelerate the expiry date of the warrants if the 15-day volume weighted average stock price of the Company trades \$0.35 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day. Finders' fees were \$26,640 in cash and 132,200 in warrants exercisable into common shares at \$0.25 per share for two years having a fair value of \$13,667. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 1.01%; expected stock price volatility – 94.87%; dividend yield of 0%; and expected warrant life of 1.47 years.

Details of Common Share Repurchases in 2014 and 2013

On November 19, 2013, the TSX Venture Exchange (the “Exchange”) accepted a notice of intention whereby the Company made a Normal Course Issuer Bid (“NCIB”) to purchase its own common shares for cancellation through the facilities of the Exchange at the prevailing market price. The number of common shares purchased by the Company was in no event to be in excess of 5% of the issued and outstanding common shares, such amount not to exceed 1,000,000 common shares of the 41,823,655 issued and outstanding at the date the NCIB commenced.

During 2014, the Company acquired and cancelled 763,500 (2013 – 236,500) of its own common shares for an aggregate purchase price of \$174,143 (2013 - \$48,005) and common share repurchase costs of \$1,909 (2013 - \$591).

The Company had the following warrants outstanding as at the date of this report:

Number of Warrants Outstanding	Exercise Price (CAD\$)	Expiry Date
5,213,200	\$0.25	December 18, 2016
5,213,200		

The following summarizes information about the Company's share options outstanding and exercisable as at the date of this report:

Number of Shares		Exercise Price (CAD\$)	Expiry Date
Outstanding	Exercisable		
100,000	100,000	\$0.36	March 31, 2015
150,000	150,000	\$0.36	April 22, 2015
835,000	835,000	\$0.35	October 1, 2015
75,000	75,000	\$0.38	October 29, 2015
820,000	820,000	\$0.40	November 4, 2015
150,000	150,000	\$0.32	November 25, 2015
50,000	50,000	\$0.30	June 24, 2017
200,000	200,000	\$0.32	November 25, 2017
200,000	200,000	\$0.31	November 29, 2017
200,000	200,000	\$0.35	May 28, 2018
2,505,000	2,505,000	\$0.35	March 25, 2019
380,000	380,000	\$0.35	April 16, 2019
20,000	20,000	\$0.35	April 30, 2019
5,685,000	5,685,000		

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Related Party Balances and Transactions

On April 1, 2010, the Company entered into a Management Services Agreement (“Agreement”) with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by an officer and director of the Company and also has another common director with the Company. Grosso Group provides its

member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The initial fee based on expected usage was \$50,000 per month. This fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expired on December 31, 2012 and was automatically renewed for a period of two years pursuant to the terms of the Agreement. The Agreement contains termination and early termination fees in the event the services are terminated by the Company.

The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of \$750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of \$1,000,000.

	Year ended December 31,	
	2014	2013
Transactions	\$	\$
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	464,700	261,600
Rent, parking and storage	242,400	214,200
Office & sundry	130,200	90,300
Total for services rendered	837,300	566,100

Mr. Joseph Grosso

Mr. Joseph Grosso, a director and officer of the Company, received share-based benefits of \$55,298 for the year ended December 31, 2014 (2013 - \$Nil).

Oxbow International Marketing Corp. ("Oxbow") is a private company controlled by Mr. Joseph Grosso. For the year ended December 31, 2014, Oxbow was paid \$125,000 (2013 - \$125,000) for management consulting services. Amounts paid to Oxbow are classified as salaries and employee benefits in the consolidated statements of loss and comprehensive loss.

Mr. Nikolaos Cacos

Mr. Nikolaos Cacos, a director of the Company, received share-based benefits of \$22,120 for the year ended December 31, 2014 (2013 - \$Nil).

Cacos Consulting Ltd. ("Cacos Consulting") is a private company controlled by Mr. Nikolaos Cacos. For the year ended December 31, 2014, Cacos Consulting was paid \$152,500 (2013 - \$120,000) for management consulting services. Amounts paid to Cacos Consulting are classified as administration and management services in the consolidated statements of loss and comprehensive loss.

At December 31, 2014, the Company had \$840 (2013 - \$Nil) included in accounts payable and accrued liabilities to Cacos Consulting.

Dr. David Terry

Dr. David Terry, a director and former officer to the Company, was paid directors and audit committee chair fees of \$16,000 for the year ended December 31, 2014 (2013 - \$16,000) and received share-based benefits of \$11,060 for the year ended December 31, 2014 (2013 - \$Nil).

Vinland Holdings Ltd. ("Vinland") is a private company controlled by Dr. David Terry. For the year ended December 31, 2014, Vinland was paid \$14,925 (2013 - \$16,200) for geological services. Amounts paid to Vinland

are classified as administration and management services in the consolidated statements of loss and comprehensive loss.

At December 31, 2014, the Company had \$2,113 (2013 - \$4,334) included in accounts payable and accrued liabilities to Vinland.

Mr. Louis Salley

Mr. Louis Salley, a director of the Company, was paid directors fees of \$12,000 for the year ended December 31, 2014 (2013 - \$7,000) and received share-based benefits of \$16,589 for the year ended December 31, 2014 (2013 - \$Nil). Amounts paid to Mr. Louis Salley are classified as salaries and employee benefits in the consolidated statements of loss and comprehensive loss.

Salley Bowes Harwardt Law Corp. ("Salley Bowes Harwardt") is a private company of which Mr. Louis Salley is an owner. For the year ended December 31, 2014, Salley Bowes Harwardt was paid \$49,910 (2013 - \$19,832) for legal services. Amounts paid to Salley Bowes Harwardt are classified as professional fees in the consolidated statements of loss and comprehensive loss.

At December 31, 2014, the Company had \$8,490 (2013 - \$15,307) included in accounts payable and accrued liabilities to Salley Bowes Harwardt.

Mr. John Gammon

Mr. John Gammon, a director of the Company, was paid directors and corporate governance committee chair fees of \$16,000 for the year ended December 31, 2014 (2013 - \$16,000) and received share-based benefits of \$8,295 for the year ended December 31, 2014 (2013 - \$Nil).

Key management personnel compensation

	Year ended December 31, 2014				Year ended December 31, 2013			
	Salaries	Share-based benefits	Other	Total	Salaries	Share-based benefits	Other	Total
Compensation	\$	\$	\$	\$	\$	\$	\$	\$
Chief Executive Officer	125,000	55,298	-	180,298	156,250	-	62,500 ⁽¹⁾	218,750
Chief Financial Officer	56,000	9,717	-	65,717	51,495	14,629	160,378 ⁽²⁾	226,502
Total	181,000	65,015	-	246,015	207,745	14,629	222,878	445,252

(1) Includes a severance payment of \$62,500 to the former Chief Executive Officer during the year ended December 31, 2013.

(2) Includes a one-time performance bonus of \$50,000 and a severance payment of \$110,378 paid to the former Chief Financial Officer during the year ended December 31, 2013.

Subsequent Events

Private Placements

On January 16, 2015, the Company completed the second tranche of a non-brokered private placement consisting of 2,739,000 units at a price of \$0.20 per unit for gross proceeds of \$547,800. Each unit consisted of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of \$0.25 per share for two years from the date of issue of the warrant. The Company is entitled to accelerate the expiry date of the warrants if the 15-day volume weighted average stock price of the Company trades \$0.35 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day. Finders' fees were \$2,480 in cash and 12,400 in warrants exercisable into common shares at \$0.25 per share for two years.

On January 27, 2015, the Company completed a non-brokered private placement consisting of 442,056 common shares at a price of US\$1.214777 (CDN\$1.456033) per share for gross proceeds of US\$537,000 (CDN\$643,648).

On February 23, 2015, the Company completed a private placement consisting of 100,000 units at a price of \$0.20 per unit for gross proceeds of \$20,000. Each unit consisted of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of \$0.26 per share for two years from the date of issue of the warrant. The Company is entitled to accelerate the expiry date of the warrants if the 15-day volume weighted average stock price of the Company trades \$0.35 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day.

Issuance of Shares for Services

On February 17, 2015, pursuant to the terms of a shares for services agreement (the “Agreement”), the Company obtained TSX Venture Exchange approval to issue 420,168 common shares of the Company as payment for completion for certain drilling services. The issued shares will be escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the date of completion of the drilling services or the expiry of three years following the date of the Agreement.

Critical Accounting Estimates and Recent Accounting Pronouncements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from these estimates.

Reference should be made to the Company’s significant accounting policies contained in Note 2 of the Company’s consolidated financial statements for the year ended December 31, 2014. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

Share-based Payment Transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Exploration, Evaluation and Development Expenditures

Exploration and evaluation expenditures are expensed as incurred, until the property reaches the development stage. The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. All direct costs related to the acquisition of resource property interests are capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves. Proceeds received for farm-out arrangements or recoveries of costs are credited against the cost of the related claims. The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

Mineral property acquisition costs include cash costs and the fair market value of common shares issued, based on the trading price of the shares issued for mineral property interests, pursuant to the terms of the related property agreements. Payments related to a property acquired under an option or joint venture agreement are made at the sole

Impairment

At the end of each reporting period the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained by the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value of mineral assets is generally determined as the present value of the estimated cash flows expected to arise from the continued use of the asset, including an expansion projects. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal.

Impairment is normally assessed at the level of (cash-generating units or "CGUs"), which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Non-financial assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place.

Changes in Accounting Standards

The Company has adopted these accounting standards effective January 1, 2014. The adoption of these accounting standards had no significant impact on the consolidated financial statements. These standards are:

IAS 32 Financial Instruments: Presentation

IAS 32 updates the application guidance to clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The adoption of these amendments to the standard did not have an impact on the financial statements of the Company.

IAS 36 Impairment of Assets

On May 29, 2013, the IASB made amendments to the disclosure requirements of IAS 36, requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. The adoption of these amendments did not have an impact on the financial statements of the Company.

IFRIC 21 Levies

IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IFRIC 21 clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy. IFRIC 21 was adopted by the Group on January 1, 2014. The adoption of IFRIC 21 did not affect the Company's financial results or disclosures.

New Accounting Standards and Interpretations

The International Accounting Standards Board ("IASB") has issued new and amended standards and interpretations which have not yet been adopted by the Company. The following is a brief summary of the new and amended standards and interpretations:

IFRS 9 – Financial Instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. In July 2014 IFRS 9, Financial Instruments (“IFRS 9”) was issued. The completed standard provides revised guidance on the classification and measurement of financial assets. It also introduces a new expected credit loss model for calculating impairment for financial assets. This final version of IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 9 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 is effective for annual periods beginning on or after January 1, 2017. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

Financial Instruments

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial instruments consist of cash and cash equivalents, amounts receivable and marketable securities. The Company's marketable securities are classified as available for sale and fair value is determined using closing prices at the balance sheet date with any temporary unrealized gains or losses recognized in other comprehensive income.

The following table outlines the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy described below. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

At December 31, 2014 the Company's financial instruments measured at fair value are as follows:

		Level 1	Level 2	Level 3
		\$	\$	\$
	Carrying amount December 31, 2014	Fair value December 31, 2014		
Recurring measurements				
Financial Assets				
Marketable securities	8,085	8,085	-	-

At December 31, 2013 the Company's financial instruments measured at fair value are as follows:

		Level 1	Level 2	Level 3
		\$	\$	\$
	Carrying amount December 31, 2013	Fair value December 31, 2013		
Recurring measurements				
Financial Assets				
Warrant derivative assets	1,250,000	-	-	1,250,000
Marketable securities	6,930	6,930	-	

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, short-term investments, share purchase warrants and amounts receivable. The majority of the Company's receivables are with the government of Canada in the form of sales tax, the credit risk is minimal.

Overall the Company's credit risk has not changed significantly from the prior year. The Company places its cash and cash equivalents and short-term investments with financial institutions with high credit ratings, the credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future.

The Company has \$421,390 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include: US dollars and Argentine Pesos, all denominated in cash, amounts receivable and accounts payable. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the United States dollar and between the Canadian dollar and the Argentine Peso is summarized as follows:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net earnings by \$2,372.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net earnings by \$12,923.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears no interest and short-term investments are redeemable at any time without penalty, with interest paid from the date of purchase. The fair value of cash and short-term investments approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing.

(c) Capital Management

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves and deficit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to develop its mineral projects and may require doing so again in the future.

Risk Factors and Uncertainties

The Company's operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. A number of the risks and uncertainties are discussed below:

History of losses: The Company has historically incurred losses as evidenced by its audited consolidated financial statements for the years ended December 31, 2013 and 2012. The Company has financed its operations principally through the sale of its equity securities. The Company does not anticipate that it will earn any revenue from its operations until its properties are placed into production, if ever. If the Company is unable to place its properties into production, the Company may never realize revenues from operations, will continue to incur losses and you may lose the value of your investment.

Joint ventures and other partnerships: The Company may seek joint venture partners to provide funding for further work on any or all of its other properties. Joint ventures may involve significant risks and the Company may lose any investment it makes in a joint venture. Any investments, strategic alliances or related efforts are accompanied by risks such as:

1. the difficulty of identifying appropriate joint venture partners or opportunities;
2. the time the Company's senior management must spend negotiating agreements, and monitoring joint venture activities;
3. the possibility that the Company may not be able to reach agreement on definitive agreements, with potential joint venture partners;
4. potential regulatory issues applicable to the mineral exploration business;
5. the investment of the Company's capital or properties and the loss of control over the return of the Company's capital or assets;
6. the inability of management to capitalize on the growth opportunities presented by joint ventures; and
7. the insolvency of any joint venture partner.

There are no assurances that the Company would be successful in overcoming these risks or any other problems encountered with joint ventures, strategic alliances or related efforts.

Unexpected delays: The Company's minerals business will be subject to the risk of unanticipated delays including permitting its contemplated projects. Such delays may be caused by fluctuations in commodity prices, mining risks, difficulty in arranging needed financing, unanticipated permitting requirements or legal obstruction in the permitting process by project opponents. In addition to adding to project capital costs (and possibly operating costs), such delays, if protracted, could result in a write-off of all or a portion of the carrying value of the delayed project.

Potential conflicts of interest: Several of the Company's directors are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. Such a conflict poses the risk that the Company may enter into a transaction on terms which could place the Company in a worse position than if no conflict existed. The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interest which they may have in any project or opportunity of the Company. However, each director has a similar obligation to other companies for which such director serves as an officer or director. The Company has no specific internal policy governing conflicts of interest.

Competition with larger, better capitalized competitors: The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, base and precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

The Company does not intend to pay dividends: The Company has not paid out any cash dividends to date and has no plans to do so in the immediate future. As a result, an investor's return on investment will be solely determined by his or her ability to sell common shares in the secondary market.

Title risk: Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Price risk: The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly gold. The prices of these metals, especially gold, greatly affect the value of the Company and the potential value of its property and investments.

Financial Markets: The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Political risk: Exploration is presently carried out in the Argentina and Chile and is currently being reviewed worldwide. This exposes the Company to risks that may not otherwise be experienced if all operations were domestic. Political risks may adversely affect the Company's potential projects and operations. Real and perceived political risk in some countries may also affect the Company's ability to finance exploration programs and attract joint venture partners, and future mine development opportunities.

Credit risk: Credit risk is the risk of an unexpected loss of a third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on cash, short-term investments, share purchase warrants and amounts receivable. The Company limits its exposure to credit loss by placing its cash and short-term investments with major financial institutions.

Liquidity risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company's cash is invested in bank accounts.

Interest risk: The Company's bank accounts do not earn interest income. Cash bears no interest and short-term investments mature one year from the date of purchase and are redeemable at any time without penalty, with interest paid after thirty days. The fair value of cash and short-term investments approximates their carrying values due to the immediate or short-term maturity of these financial instruments.

Currency risk: Business is transacted by the Company in a number of currencies. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction.

Community risk: The Company has negotiated with the local communities on its mineral property concessions for access to facilitate the completion of geological studies and exploration work programs. The Company's operations could be significantly disrupted or suspended by activities such as protests or blockades that may be undertaken by such certain groups or individuals within the community.

Environmental risk: The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission exempted Venture Issuers from the requirement to certify disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. The Company is a Venture Issuer; therefore it files the venture issuer basic certificates. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109 as at December 31, 2014.

Additional Information

Additional information relating to the Company, including news releases, financial statements and prior MD&A filings, is available on SEDAR at www.sedar.com.

The Company provides information packages to investors. These packages include materials filed with regulatory authorities. Additionally the Company attends investment/trade conferences and updates its website (www.goldenarrowresources.com) on a continuous basis.

APPENDIX “M”
FINANCIAL STATEMENTS OF GOLDEN ARROW FOR THE NINE
MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

Golden Arrow Resources Corporation
(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2015 AND 2014

(Unaudited - Expressed in Canadian Dollars)

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

		September 30, 2015 \$	December 31, 2014 \$
	Note		
ASSETS			
Current assets			
Cash and cash equivalents		52,543	1,252,471
Investments	4	92,506	8,085
Amounts receivable	13	571,679	48,712
Prepaid expenses		84,955	123,989
Total current assets		801,683	1,433,257
Non-current assets			
Property and equipment		12,578	33,327
Mineral property interests	3	2,848,131	1,742,095
Total non-current assets		2,860,709	1,775,422
Total Assets		3,662,392	3,208,679
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	1,198,158	421,390
Loan payable	5	71,100	-
Related party loans payable	7	697,000	-
Interest payable	7	10,368	-
Total current liabilities		1,976,626	421,390
EQUITY			
Share capital	6	16,134,915	9,953,493
Commitment to issue shares	10	363,928	1,750,444
Reserves	6	15,498,905	14,893,400
Deficit		(30,311,982)	(23,810,048)
Total equity		1,685,766	2,787,289
Total Equity and Liabilities		3,662,392	3,208,679

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENTS (Note 10)

SUBSEQUENT EVENTS (Note 13)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 17, 2015. They are signed on the Company's behalf by:

"Joseph Grosso" , Director

"David Terry" , Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

		Three months ended September 30,		Nine months ended September 30,	
	Note	2015	2014	2015	2014
		\$	\$	\$	\$
Expenses					
Administration and management services	7	191,425	183,850	567,975	421,875
Corporate development and investor relations		73,248	93,109	401,178	318,963
Depreciation		-	3,750	-	17,868
Exploration	3	793,160	735,674	4,026,308	4,708,933
Office and sundry	7	54,230	66,148	187,013	181,704
Professional fees	7	395,555	53,208	801,762	138,278
Rent, parking and storage	7	70,690	70,948	212,386	185,333
Salaries and employee benefits	7	130,308	136,578	401,924	419,663
Share-based compensation	7	3,589	7,696	440,431	315,655
Transfer agent and regulatory fees		4,091	11,864	53,877	23,581
Travel and accommodation		7,154	63,655	54,446	137,794
Loss from operating activities		1,723,450	1,426,480	7,147,300	6,869,647
Foreign exchange gain		(564,109)	(252,933)	(804,484)	(726,256)
Interest income		(159)	(501)	(9,818)	(17,671)
Interest expense	7	10,364	-	10,364	-
Loss on sale of marketable securities	4,12	16,778	22,155	158,572	65,694
Loss for the period		1,186,324	1,195,201	6,501,934	6,191,414
Other comprehensive loss					
Items that may be reclassified to profit or loss					
Unrealized loss (gain) on available-for-sale marketable securities	12	1,540	3,464	4,235	(6,930)
Other comprehensive loss for the period		1,540	3,464	4,235	(6,930)
Comprehensive loss for the period		1,187,864	1,198,665	6,506,169	6,184,484
Basic and diluted loss per common share	8	0.02	0.03	0.13	0.15

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Nine months ended September 30,	
	2015	2014
	\$	\$
Cash flows from operating activities		
Loss for the period	(6,501,934)	(6,191,414)
Adjustments for:		
Depreciation	20,749	38,617
Drilling services received for common shares	1,837,087	1,140,785
Foreign exchange gain on marketable securities	(617,875)	(727,000)
Loss on sale of marketable securities	158,572	65,694
Option payment proceeds to be received	500,000	-
Share-based compensation	440,431	315,655
	(4,162,970)	(5,357,663)
Change in non-cash working capital items:		
(Increase) decrease in amounts receivable	(522,967)	10,832
Decrease (increase) in prepaid expenses	39,034	(68,908)
Increase in interest payable	10,368	-
Increase (decrease) in accounts payable and accrued liabilities	776,768	(195,485)
Net cash used in operating activities	(3,859,767)	(5,611,224)
Cash flows from investing activities		
Mineral property interests	(1,606,036)	(244,575)
Proceeds from exercise of warrant put right	-	1,250,000
Purchase of marketable securities, net of transaction costs	(1,666,849)	(2,939,180)
Disposal of marketable securities, net of transaction costs	3,681,271	3,600,487
Net cash generated by investing activities	408,386	1,666,732
Cash flows from financing activities		
Issuance of common shares and warrants	1,230,833	-
Share issue costs	(2,480)	-
Warrants exercised	27,500	-
Subscription receipts	227,500	-
Loans received	768,100	-
Repurchases of common shares	-	(172,234)
Share repurchase costs	-	(1,909)
Net cash generated by financing activities	2,251,453	(174,143)
Net (decrease) in cash and cash equivalents	(1,199,928)	(4,118,635)
Cash and cash equivalents at beginning of period	1,252,471	5,052,392
Cash and cash equivalents at end of period	52,543	933,757

SUPPLEMENTARY CASH FLOW INFORMATION (Note 11)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Consolidated Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars)

	Share capital			Reserves							
	Number of shares	Amount \$	Treasury Stock \$	Commitment to issue shares \$	Contributed surplus \$	Equity settled share-based payments		Warrants \$	Accumulated other comprehensive income (loss) \$	Total \$	
Balance at January 1, 2014	41,587,155 (763,500)	8,650,617 (172,234)	(48,005)	-	13,409,922	853,724	-	-	(9,239)	(15,278,200)	7,578,819 (172,234)
Repurchases of common shares	-	(1,909)	-	-	-	-	-	-	-	-	(1,909)
Shares issued for drilling services	336,134	853,600	-	-	-	-	-	-	-	-	853,600
Share-based compensation	-	-	-	-	-	315,655	-	-	-	-	315,655
Stock options expired	-	-	-	-	208,219	(208,219)	-	-	-	-	-
Treasury stock cancelled under normal course issuer bid	-	(48,005)	48,005	-	-	-	-	-	-	-	-
Commitment to issue shares	-	-	-	287,185	-	-	-	-	-	-	287,185
Total comprehensive (loss) for the period	-	-	-	-	-	-	-	-	6,930	(6,191,414)	(6,184,484)
Balance at September 30, 2014	41,159,789	9,282,069	-	287,185	13,618,141	961,160	-	-	(2,309)	(21,469,614)	2,676,632
Private placement	5,080,000	711,731	-	-	-	-	304,269	-	-	-	1,016,000
Share issue costs	-	(40,307)	-	-	-	-	-	-	-	-	(40,307)
Agent warrants granted	-	-	-	-	-	-	13,667	-	-	-	13,667
Share-based compensation	-	-	-	-	-	4,247	-	-	-	-	4,247
Commitment to issue shares	-	-	-	1,463,259	-	-	-	-	-	-	1,463,259
Total comprehensive (loss) for the period	-	-	-	-	-	-	-	-	(5,775)	(2,340,434)	(2,346,209)
Balance at December 31, 2014	46,239,789	9,953,493	-	1,750,444	13,618,141	965,407	317,936	-	(8,084)	(23,810,048)	2,787,289
Private placements (Note 6)	8,008,826	3,343,587	-	(1,306,681)	-	-	174,669	-	-	-	2,211,575
Share issue costs	-	(3,884)	-	-	-	-	-	-	-	-	(3,884)
Agent warrants granted	-	-	-	-	-	-	1,404	-	-	-	1,404
Shares issued for drilling services (Note 6)	1,023,152	2,807,455	-	(2,807,455)	-	-	-	-	-	-	-
Share-based compensation	-	-	-	-	54,451	440,431	-	-	-	-	440,431
Stock options expired	-	-	-	-	(54,451)	(54,451)	-	-	-	-	-
Warrants exercised	110,000	34,264	-	-	-	-	(6,764)	-	-	-	27,500
Commitment to issue shares (Note 10)	-	-	-	2,727,620	-	-	-	-	-	-	2,727,620
Total comprehensive (loss) for the period	-	-	-	-	-	-	-	-	(4,235)	(6,501,934)	(6,506,169)
Balance at September 30, 2015	55,381,767	16,134,915	-	363,928	13,672,592	1,351,387	487,245	-	(12,319)	(30,311,982)	1,685,766

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2015 and 2014

(Expressed in Canadian Dollars Unless Otherwise Noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Golden Arrow Resources Corporation (the “Company” or “Golden Arrow”) was incorporated on July 7, 2004, as a result of a corporate restructuring plan (the “Reorganization”) completed by Kobex Minerals Inc. (“Kobex”) (formerly IMA Exploration Inc.). The address of the Company’s registered office is Suite 411 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6. The Company is listed on the TSX Venture Exchange.

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in Argentina and Chile. The Company’s mineral property interests presently have no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. Consequently, the Company considers itself to be an exploration stage company.

The amounts shown as mineral property interests represent costs incurred to date, less option payment proceeds and amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral property interests is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to advance the properties beyond the exploration stage, and future profitability of the properties.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to interim financial statements and to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has experienced recurring operating losses and has an accumulated deficit of \$30,311,982 at September 30, 2015. In addition, the Company has a working capital deficiency of \$1,174,943 at September 30, 2015. Working capital is defined as current assets less current liabilities and provides a measure of the Company’s ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These recurring losses and the Company’s working capital deficiency create material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments (Note 10) and to attain profitable operations. Management’s plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals. These condensed consolidated interim financial statements do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as applicable to interim financial reports including International Accounting Standard 34 ‘Interim Financial Reporting’.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2015 and 2014

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

These interim condensed consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and included in Part 1 of the Handbook of the Chartered Professional Accountants of Canada.

The policies applied in these interim condensed financial statements are the same as those applied in the most recent annual consolidated financial statements and were consistently applied to all the periods presented unless otherwise noted.

These interim condensed consolidated financial statements were approved by the Board of Directors of the Company on November 17, 2015.

Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for marketable securities classified as available-for-sale and as fair value through profit and loss, as well as share purchase warrants classified as fair value through profit and loss that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

	Place of Incorporation	Principal Activity
IMPISA Resources Corporation	BC, Canada	Holding company
1049708 B.C. Ltd.	BC, Canada	Holding company
Valle Del Cura S.A.	Argentina	Exploration company
Desarrollo de Recursos S.A.	Argentina	Exploration company
Golden Arrow Chile Ltda.	Chile	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Golden Arrow Resources Corporation

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

Critical accounting estimates

- i. The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Critical accounting judgments

- i. Presentation of the condensed consolidated interim financial statements which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- ii. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.
- iii. The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- iv. Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards and Interpretations

The International Accounting Standards Board (“IASB”) has issued new and amended standards and interpretations which have not yet been adopted by the Company. The following is a brief summary of the new and amended standards and interpretations:

IFRS 9 – Financial Instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. In July 2014 IFRS 9, Financial Instruments (“IFRS 9”) was issued. The completed standard provides revised guidance on the classification and measurement of financial assets. It also introduces a new expected credit loss model for calculating impairment for financial assets. This final version of IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 9 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

3. MINERAL PROPERTY INTERESTS

The schedules below summarize the carrying costs of acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company is continuing to explore as at September 30, 2015:

Acquisition Costs

	Argentina						
	Fronterra District	La Rioja	Caballos	Chinchillas	Pescado	Other	Total
	\$	\$	\$	\$	\$	\$	\$
Balance – December 31, 2014	656,124	14,853	2,431	934,886	33,076	100,725	1,742,095
Additions							
Staking costs, land payments and acquisition costs	-	-	-	1,606,036	-	-	1,606,036
Option payment proceeds	-	-	-	(500,000)	-	-	(500,000)
Balance – September 30, 2015	656,124	14,853	2,431	2,040,922	33,076	100,725	2,848,131

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3. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina						Chile	Total \$
	Fronterra District \$	La Rioja \$	Chinchillas \$	Caballos \$	Pescado \$	Other \$	Mogote \$	
Cumulative exploration expenses – December 31, 2014	4,329,321	1,606,601	12,885,856	317,578	844,344	833,736	42,183	20,859,619
Expenditures during the period								
Assays	-	-	204,880	-	-	-	-	204,880
Drilling	-	-	1,837,087	-	-	-	-	1,837,087
Geophysics and metallurgy	-	-	11,772	-	-	-	-	11,772
Imagery and base maps	-	-	1,525	-	-	-	-	1,525
Office	-	388	350,953	128	-	-	-	351,469
Preliminary economic assessment	-	-	61,130	-	-	-	-	61,130
Property maintenance payments	-	-	77,136	236	-	-	6,139	83,511
Salaries and contractors	-	-	1,102,146	-	-	-	-	1,102,146
Social and community	-	-	63,924	-	-	-	-	63,924
Supplies and equipment	-	-	137,460	-	-	6,611	-	144,071
Transportation	-	-	68,309	-	-	-	-	68,309
Value added taxes	-	7	96,343	7	-	127	-	96,484
	-	395	4,012,665	371	-	6,738	6,139	4,026,308
Cumulative exploration expenses – September 30, 2015	4,329,321	1,606,996	16,898,521	317,949	844,344	840,474	48,322	24,885,927

The schedule below summarizes the exploration expenditures incurred to date for each mineral property interest that the Company was continuing to explore as at September 30, 2014:

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3. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina						Chile	Total \$
	Fronterra District \$	La Rioja \$	Chinchillas \$	Caballos \$	Pescado \$	Other \$	Mogote \$	
Cumulative exploration expenses – December 31, 2013	4,329,275	1,606,601	6,739,988	316,544	844,319	726,396	32,668	14,595,791
Expenditures during the period								
Assays	-	-	287,614	-	-	2,944	-	290,558
Drilling	-	-	1,796,314	-	-	-	-	1,796,314
Geophysics and metallurgy	-	-	181,606	-	-	21,081	-	181,606
Imagery and base maps	-	-	5,347	-	-	-	-	5,347
Office	-	-	257,201	704	-	13,994	-	271,899
Preliminary economic assessment	-	-	75,862	-	-	-	-	75,862
Property maintenance payments	-	-	35,530	282	-	574	9,515	45,901
Rehabilitation review	-	-	-	-	-	5,749	-	5,749
Salaries and contractors	-	-	1,107,899	-	-	49,710	-	1,157,609
Supplies and equipment	-	-	407,397	-	-	5,012	-	412,409
Transportation	-	-	111,770	-	-	2,630	-	114,400
Statutory taxes	60	-	322,285	71	31	7,751	-	330,198
	60	-	4,588,825	1,057	31	109,445	9,515	4,708,933
Cumulative exploration expenses – September 30, 2014	4,329,335	1,606,601	11,328,813	317,601	844,350	835,841	42,183	19,304,724

(a) Chinchillas, Jujuy, Argentina

On August 3, 2011, the Company announced an option agreement ("Option Agreement") with a private group to acquire a 100% interest in the Chinchillas Silver Project located in Jujuy Province. On July 11, 2014, the Option Agreement for the Chinchillas Silver Project was amended to allow for an extension of the 3rd year option payment in consideration for USD \$6,000 paid monthly until the remaining USD \$250,000 was paid. The Company had the option at any time during the period to pay the remaining 3rd year option payment of USD \$250,000 without incurring any additional monthly amounts.

Under the terms of the Option Agreement, Golden Arrow acquired a 100% interest in the Chinchillas project on July 21, 2015 by making cash payments to the vendor totaling USD \$1,866,000 over four years, as shown below:

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3. MINERAL PROPERTY INTERESTS (continued)

Option Payment USD \$	Year
20,000	2011
230,000	2012
250,000	2013
180,000	2014
1,186,000	2015
1,866,000	

Furthermore, the Company must make an additional payment of USD \$1,200,000 to the vendor upon the commencement of commercial production.

On September 30, 2015, the Company entered into an agreement (the "Agreement") with Silver Standard Resources Inc. ("Silver Standard") which contemplates the joint development of the Chinchillas project and an agreement to combine the producing Pirquitas Mine and the Chinchillas project into a single new operation.

Subject to an 18-month period of pre-development activities (the "Preliminary Period"), Silver Standard will have the right to commence an arrangement (the "Arrangement") that will see the Pirquitas Mine and the Chinchillas project combined into a 75% Silver Standard 25% Golden Arrow jointly owned mining business, with Silver Standard assuming the role of operator.

During the Preliminary Period, Silver Standard will pay Golden Arrow up to CDN\$2,000,000 on completion of certain milestones, and invest up to an estimated US\$12,600,000, with a minimum expenditure commitment of US\$4,000,000, at Chinchillas to advance the project and evaluate the feasibility of developing a combined operation. If Silver Standard elects to proceed with the Arrangement the Company will be paid an amount equal to 25% of the Pirquitas mine's cash equivalent earnings, if any, during the Preliminary Period, less certain expenditures for exploration (including pre-development expenditures), capital investment and closure costs incurred during the Preliminary Period, based on a pre-defined formula, payable on closing of the business combination.

See Note 13 Subsequent Events for further information

(b) Fronterra District, Argentina

The Company owns a 100% interest in the Fronterra District properties for which it paid consideration of USD \$120,000. The properties are subject to a net smelter return royalty ("NSR") of up to USD \$5,000,000 once commercial production is achieved.

(c) Varitas, La Rioja, Argentina

The Company owns a 100% interest in the Varitas property in southern La Rioja Province, Argentina.

(d) Mogote and Purulla Properties, Argentina

The Company owns a 100% interests in the Mogote and Purulla properties in Argentina. The properties are subject to a net smelter return royalty ("NSR") payable to the vendor once commercial production is achieved.

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3. MINERAL PROPERTY INTERESTS (continued)

(e) Caballos, La Rioja, Argentina

The Company owns a 100% interest in the Caballos property in western La Rioja Province, Argentina.

(f) Pescado, San Juan, Argentina

The Company owns a 100% interest in the Pescado Gold Project in San Juan Province, Argentina.

4. INVESTMENTS

At September 30, 2015, the Company held the following:

	Quantity	Fair Value
Iron South Mining Corp. common shares ("Iron South")	76,996 ⁽¹⁾	\$3,850
Argentinean Government Bond BONAR17	666	\$88,656
		<u>\$92,506</u>

At December 31, 2014, the Company held the following:

	Quantity	Fair Value
Iron South Mining Corp. common shares ("Iron South")	76,996 ⁽¹⁾	\$8,085
		<u>\$8,085</u>

⁽¹⁾ On December 22, 2014, the common shares of Iron South were consolidated on the basis of three (3) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively restated for number of shares held.

The Company has designated its marketable securities in Iron South Mining Corp. as available-for-sale financial assets and accordingly, changes in fair value are recorded in other comprehensive loss in the period in which they occur. An unrealized loss of \$1,540 was recorded for the three months ended September 30, 2015 (three months ended September 30, 2014 – \$3,464). An unrealized loss of \$4,235 was recorded for the nine months ended September 30, 2015 (nine months ended September 30, 2014 – unrealized gain of \$6,930).

The Argentinean Government Bonds are considered to be short-term investments and the Company has designated them as financial assets at fair value through profit or loss and accordingly, changes therein are recognized in profit or loss. A loss of \$9,722 was recorded for the three months ended September 30, 2015 (three months ended September 30, 2014 - \$22,155). A loss of \$40,458 was recorded for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$65,694).

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5. LOAN PAYABLE

At September 30, 2015, the Company held the following loan payable:

	September 30, 2015		
	Maturity	Currency	Amount
Unsecured, 8% annual interest rate	October 15, 2015	Argentinean Peso	\$71,100

On August 27, 2015, the Company entered into a loan agreement with an arm's length private Argentinean Company. The principal amount of the loan is used for working capital purposes and bears interest at the rate of 8% per annum. The principal balance of the loan, together with all accrued and unpaid interest thereon shall become due and payable in full on the maturity date. The Company may repay the loan in whole or in part at any time, without notice or penalty.

At December 31, 2014, the Company did not have any loans outstanding.

6. CAPITAL AND RESERVES

Authorized Share Capital

The Company's authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in 2015

On January 16, 2015, the Company completed the second tranche of a non-brokered private placement consisting of 2,739,000 units at a price of \$0.20 per unit for gross proceeds of \$547,800. Each unit consisted of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of \$0.25 per share for two years from the date of issue of the warrant. The Company is entitled to accelerate the expiry date of the warrants if the 15-day volume weighted average stock price of the Company trades \$0.35 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st date. Finders' fees were \$2,480 in cash and 12,400 in warrants exercisable into common shares at \$0.25 per share for two years having a fair value of \$1,404. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 0.89%; expected stock price volatility – 95.86%; dividend yield of 0%; and expected warrant life of 1.44 years.

On January 27, 2015, the Company completed a non-brokered private placement consisting of 442,056 common shares at a price of US\$1.214777 (CDN\$1.456033) per share for gross proceeds of US\$537,000 (CDN\$643,648).

On February 17, 2015, pursuant to the terms of a shares for services agreement (the "Agreement"), the Company obtained TSX Venture Exchange approval to issue 420,168 common shares of the Company as payment for completion for certain drilling services. The issued shares will be escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the date of completion of the drilling services or the expiry of three years following the date of the Agreement. See Note 11 for further information.

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6. CAPITAL AND RESERVES (continued)

On February 23, 2015, the Company completed a private placement consisting of 100,000 units at a price of \$0.20 per unit for gross proceeds of \$20,000. Each unit consisted of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of \$0.26 per share for two years from the date of issue of the warrant. The Company is entitled to accelerate the expiry date of the warrants if the 15-day volume weighted average stock price of the Company trades \$0.35 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 0.38%; expected stock price volatility – 97.03%; dividend yield of 0%; and expected warrant life of 1.45 years.

On June 4, 2015, the Company completed a private placement consisting of 4,285,714 common shares at a price of \$0.35 per share. Upon closing, the Company received non-cash consideration of 214,592 common shares of Pretium Resources Inc. (TSX: PVG) at a price of \$7.66 per share for gross proceeds of \$1,643,775.

On July 9, 2015, the Company completed a non-brokered private placement consisting of 442,056 common shares at a price of US\$1.214777 (CDN\$1.50) per share for gross proceeds of US\$537,000 (CDN\$663,033).

On July 9, 2015, pursuant to the terms of a shares for services agreement (the “Agreement”), the Company obtained TSX Venture Exchange approval to issue 504,201 common shares of the Company as payment for completion for certain drilling services. The issued shares will be escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the date of completion of the drilling services or the expiry of three years following the date of the Agreement. See Note 10 for further information.

On July 9, 2015, pursuant to the terms of a shares for heavy equipment services agreement (the “Contract”), the Company obtained TSX Venture Exchange approval to issue 98,783 common shares of the Company as payment for completion of US\$120,000 of drilling and heavy equipment services. The issued shares will be escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the date of completion of the drilling services or the expiry of three years following the date of the Contract. See Note 10 for further information.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the “Plan”) approved by the Company’s shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on a fixed number of eligible shares equaling 20% of the Company’s outstanding common shares calculated at June 25, 2013, totaling a maximum of 8,364,371 share purchase options.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX Venture Exchange. Share purchase options granted generally vest immediately, are subject to a four-month hold period and are generally exercisable for a period of five years.

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6. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the nine months ended September 30, 2015 is as follows:

Expiry date	Exercise Price	December 31, 2014	Granted	Exercised	Expired/ Forfeited	September 30, 2015	Options exercisable
March 31, 2015	\$0.36	100,000	-	-	(100,000)	-	-
April 22, 2015	\$0.36	150,000	-	-	(150,000)	-	-
October 1, 2015	\$0.35	835,000	-	-	-	835,000	835,000
October 29, 2015	\$0.38	75,000	-	-	-	75,000	75,000
November 4, 2015	\$0.40	820,000	-	-	-	820,000	820,000
November 25, 2015	\$0.32	150,000	-	-	-	150,000	150,000
June 24, 2017	\$0.30	50,000	-	-	-	50,000	50,000
November 25, 2017	\$0.32	200,000	-	-	-	200,000	200,000
November 29, 2017	\$0.31	200,000	-	-	-	200,000	200,000
May 28, 2018	\$0.35	200,000	-	-	-	200,000	200,000
March 25, 2019	\$0.35	2,505,000	-	-	-	2,505,000	2,505,000
April 16, 2019	\$0.35	380,000	-	-	-	380,000	380,000
April 30, 2019	\$0.35	20,000	-	-	-	20,000	20,000
June 11, 2020	\$0.35	-	2,595,000	-	-	2,595,000	2,557,500
		5,685,000	2,595,000	-	(250,000)	8,030,000	7,992,500
Weighted average exercise price \$		0.36	0.35	-	0.36	0.35	0.35
Weighted average contractual remaining life (years)		2.79	4.70	-	-	2.98	3.00

The weighted average fair value of share purchase options granted during the nine months ended September 30, 2015 is \$0.17 (2014 - \$0.11). Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Nine months ended September 30,	
	2015	2014
Risk-free interest rate	0.86%	1.47%
Expected option life in years	3.6	3.6
Expected share price volatility	87%	82%
Grant date share price	\$0.30	\$0.23
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

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6. CAPITAL AND RESERVES (continued)

Warrants

The continuity of warrants for the nine months ended September 30, 2015 is as follows:

Expiry date	Exercise Price	December 31, 2014	Issued	Exercised	Expired/ Forfeited	September 30, 2015
December 18, 2016	\$0.25	5,213,200	-	-	-	5,213,200
January 15, 2017	\$0.25	-	2,751,400	(110,000)	-	2,641,400
February 22, 2017	\$0.26	-	100,000	-	-	100,000
		5,213,200	2,851,400	(110,000)	-	7,954,600
Weighted average exercise price \$		0.25	0.25	0.25	-	0.25

The Company did not have any warrants outstanding as at September 30, 2014.

7. RELATED PARTY BALANCES AND TRANSACTIONS

On April 1, 2010, the Company entered into a Management Services Agreement (“Agreement”) with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by an officer and director of the Company and also has another common director with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group’s costs including its staff and overhead costs among the member companies. This fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expired on December 31, 2014 and was automatically renewed for a period of two years pursuant to the terms of the Agreement. The Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of \$750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of \$1,000,000.

Transactions	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Services rendered:				
Grosso Group Management Ltd.				
Administration and management services	156,000	144,300	456,000	308,700
Rent, parking and storage	67,500	67,200	202,500	173,400
Office & sundry	30,000	36,000	108,000	100,200
Total for services rendered	253,500	247,500	766,500	582,300

At September 30, 2015, the Company had \$137,975 (September 30, 2014 - \$Nil) included in accounts payable and accrued liabilities to Grosso Group.

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7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Mr. Joseph Grosso

Mr. Joseph Grosso, a director and chief executive officer of the Company, and his spouse, received share-based benefits of \$144,723 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$55,298).

Oxbow International Marketing Corp. ("Oxbow") is a private company controlled by Mr. Joseph Grosso. For the three months ended September 30, 2015, Oxbow was paid \$31,250 (three months ended September 30, 2014 - \$31,250) for management consulting services. For the nine months ended September 30, 2015, Oxbow was paid \$93,750 (nine months ended September 30, 2014 - \$93,750) for management consulting services. Amounts paid to Oxbow are classified as salaries and employee benefits in the consolidated statements of loss and comprehensive loss.

At September 30, 2015, the Company had \$48,520 (September 30, 2014 - \$32,949) included in accounts payable and accrued liabilities to Oxbow.

Related Party Loans Payable

At September 30, 2015, the Company had the following related party loans payable:

	September 30, 2015		
	Maturity	Currency	Amount
Unsecured, non-interest bearing	On demand	Canadian dollar	\$200,000
Unsecured, 12% annual interest rate	On demand	Canadian dollar	\$300,000
Unsecured, 12% annual interest rate	On demand	Canadian dollar	\$50,000
Unsecured, 12% annual interest rate	On demand	Canadian dollar	\$147,000
			<u>\$697,000</u>

During the nine months ended September 30, 2015, the Company entered into loan agreements with the spouse of the Chief Executive Officer of the Company. The principal amount of the loans is used for working capital purposes. The principal balance of the loans, together with all accrued and unpaid interest thereon shall become due and payable in full on the maturity date. The Company may repay the loans in whole or in part at any time, without notice or penalty.

At September 30, 2015, the Company had \$9,969 (September 30, 2014 - \$Nil) included in interest payable to a related party.

At December 31, 2014, the Company did not have any related party loans outstanding.

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7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Mr. Nikolaos Cacos

Mr. Nikolaos Cacos, a director of the Company, received share-based benefits of \$68,105 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$22,120).

Cacos Consulting Ltd. ("Cacos Consulting") is a private company controlled by Mr. Nikolaos Cacos. For the three months ended September 30, 2015, Cacos Consulting was paid \$48,750 (three months ended September 30, 2014 - \$43,750) for management consulting services. For the nine months ended September 30, 2015, Cacos Consulting was paid \$146,250 (nine months ended September 30, 2014 - \$103,750) for management consulting services. Amounts paid to Cacos Consulting are classified as administration and management services in the consolidated statements of loss and comprehensive loss.

At September 30, 2015, the Company had \$26,250 (September 30, 2014 - \$Nil) included in accounts payable and accrued liabilities to Cacos Consulting.

Dr. David Terry

Dr. David Terry, a director and former officer to the Company, was paid director and audit committee chair fees of \$4,000 for the three months ended September 30, 2015 (three months ended September 30, 2014 - \$4,000). Dr. David Terry was paid director and audit committee chair fees of \$12,000 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$12,000) and received share-based benefits of \$34,053 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$11,060).

Vinland Holdings Ltd. ("Vinland") is a private company controlled by Dr. David Terry. For the three months ended September 30, 2015, Vinland was paid \$1,425 (three months ended September 30, 2014 - \$5,550) for geological services. For the nine months ended September 30, 2015, Vinland was paid \$9,975 (nine months ended September 30, 2014 - \$11,175) for geological services. Amounts paid to Vinland are classified as administration and management services in the consolidated statements of loss and comprehensive loss.

At September 30, 2015, the Company had \$5,824 (September 30, 2014 - \$3,125) included in accounts payable and accrued liabilities to Vinland.

Mr. Louis Salley

Mr. Louis Salley, a director of the Company, was paid director fees of \$3,000 for the three months ended September 30, 2015 (three months ended September 30, 2014 - \$3,000). Mr. Louis Salley was paid director fees of \$9,000 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$9,000) and received share-based benefits of \$34,053 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$16,589). Amounts paid to Mr. Louis Salley are classified as salaries and employee benefits in the consolidated statements of loss and comprehensive loss.

At September 30, 2015, the Company had \$1,026 (September 30, 2014 - \$Nil) included in accounts payable and accrued liabilities to Mr. Louis Salley.

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7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Salley Bowes Harwardt Law Corp. ("Salley Bowes Harwardt") is a private company of which Mr. Louis Salley is an owner. For the three months ended September 30, 2015, Salley Bowes Harwardt was paid \$Nil (three months ended September 30, 2014 - \$4,765) for legal services. For the nine months ended September 30, 2015, Salley Bowes Harwardt was paid \$18,696 (nine months ended September 30, 2014 - \$36,824) for legal services. Amounts paid to Salley Bowes Harwardt are classified as professional fees in the consolidated statements of loss and comprehensive loss.

At September 30, 2015, the Company had \$8,797 (September 30, 2014 - \$Nil) included in accounts payable and accrued liabilities to Salley Bowes Harwardt.

Mr. John Gammon

Mr. John Gammon, a director of the Company, was paid director and corporate governance committee chair fees of \$7,000 for the three months ended September 30, 2015 (three months ended September 30, 2014 - \$7,000). For the nine months ended, Mr. John Gammon was paid director and corporate governance committee chair fees of \$13,000 (nine months ended September 30, 2014 - \$13,000) and received share-based benefits of \$17,026 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$8,295).

At September 30, 2015, the Company had \$5,026 (September 30, 2014 - \$Nil) included in accounts payable and accrued liabilities to Mr. John Gammon.

Key management personnel compensation

	Three months ended September 30, 2015			Three months ended September 30, 2014		
	Share-			Share-		
	Salaries	based benefits	Total	Salaries	based benefits	Total
Compensation	\$	\$	\$	\$	\$	\$
Chief Executive Officer	31,250	-	31,250	31,250	-	31,250
Chief Financial Officer	15,000	-	15,000	15,000	-	15,000
Total	46,250	-	46,250	46,250	-	46,250

	Nine months ended September 30, 2015			Nine months ended September 30, 2014		
	Share-			Share-		
	Salaries	based benefits	Total	Salaries	based benefits	Total
Compensation	\$	\$	\$	\$	\$	\$
Chief Executive Officer	93,750	119,184	212,934	93,750	55,298	149,049
Chief Financial Officer	45,000	8,513	53,513	41,000	9,717	50,717
Total	138,750	127,697	266,447	134,750	65,015	199,765

The tables do not include amounts paid to non-executive directors.

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8. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2015 and 2014 was based on the following:

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Loss attributable to common shareholders (\$)	1,186,324	1,195,201	6,501,934	6,191,414
Weighted average number of common shares outstanding	55,289,698	40,995,376	51,883,017	41,017,182

Diluted loss per share did not include the effect of 8,030,000 (September 30, 2014 – 5,685,000) share purchase options and 7,954,600 (September 30, 2014 – Nil) common share purchase warrants as they are anti-dilutive.

9. SEGMENTED INFORMATION

The Company is primarily involved in mineral exploration activities in Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the nine months ended September 30, 2015.

The Company's total non-current assets are segmented geographically as follows:

	Argentina	
	September 30, 2015	December 31, 2014
Mineral property interests (\$)	2,848,131	1,742,095
Property and equipment (\$)	12,578	33,327
	2,860,709	1,775,422

10. COMMITMENTS

Management Services Agreement

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	\$	\$	\$	\$	\$
Management Services Agreement	253,500	1,014,000	-	-	-

On April 1, 2010, the Company entered into an Agreement with Grosso Group to provide services and facilities to the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current monthly fee is \$84,500 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

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10. COMMITMENTS (continued)

Chinchillas Option Agreement

Under the terms of the Chinchillas Option Agreement, signed August 3, 2011, Golden Arrow acquired a 100% interest in the Chinchillas project on July 21, 2015 by making cash payments over four years to the vendor totaling USD\$1,866,000 (see Note 3a).

Furthermore the Company must make an additional payment of USD\$1,200,000 to the vendor upon the commencement of commercial production.

Shares for Services

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	\$	\$	\$	\$	\$
Drilling Services	136,428	-	-	-	-
Subscription receipts	227,500	-	-	-	-
	363,928	-	-	-	-

Drilling Services

Under the terms of a shares for services agreement (the "Agreement") signed March 10, 2014 and as amended on November 1, 2014, up to 16,000 meters of drilling shall be paid for by issuing up to a total of 2,378,404 common shares of the Company subject to TSX Venture exchange approval. The issued shares will be escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the date of completion of the drilling services or the expiry of three years following the date of the Agreement.

For the nine months ended September 30, 2015, the Company issued 924,369 (nine months ended September 30, 2014 – 336,134) common shares in respect of drilling services received prior to December 31, 2014 and has recognized \$1,656,348 (nine months ended September 30, 2014 - \$1,140,785) for 6,539 meters drilled up to September 30, 2015 (5,346 meters drilled up to September 30, 2014) to be paid for by issuing common shares of the Company subject to TSX Venture exchange approval in accordance with the terms of the Agreement.

At September 30, 2015, the Company has cumulatively issued 1,260,503 common shares and has recognized \$2,793,095 for a total of 11,539 meters of drilling services received since the commencement of the Agreement.

Subscription Receipts

As at September 30, 2015, the Company was advanced \$227,500 representing 455,000 common shares of the Company to be issued at a price of \$0.50 per share subject to TSX Venture exchange approval (see Note 13 for further information).

Golden Arrow Resources Corporation

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11. SUPPLEMENTARY CASH FLOW INFORMATION

	Nine months ended September 30,	
	2015	2014
	\$	\$
Non-cash investing and financing activities		
Marketable securities received for private placement	1,643,775	-
Commitment to issue shares for drilling services	1,760,732	-
Shares issued for drilling services	2,554,135	1,140,785
Agent warrants granted	1,404	-

12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial instruments consist of cash and cash equivalents, amounts receivable and investments. For investments classified as available for sale, fair value is determined using closing prices at the balance sheet date with any temporary unrealized gains or losses recognized in other comprehensive income. For investments classified as fair value through profit or loss, fair value is determined using closing prices at the balance sheet date with any unrealized gain or loss recognized in profit or loss.

The following table outlines the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy described below. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

At September 30, 2015 the Company's financial instruments measured at fair value are as follows:

		Level 1	Level 2	Level 3
		\$	\$	\$
	Carrying amount September 30, 2015	Fair value September 30, 2015		
Recurring measurements				
Financial Assets				
Investments	92,506	92,506	-	-

At December 31, 2014 the Company's financial instruments measured at fair value are as follows:

		Level 1	Level 2	Level 3
		\$	\$	\$
	Carrying amount December 31, 2014	Fair value December 31, 2014		
Recurring measurements				
Financial Assets				
Investments	8,085	8,085	-	-

Golden Arrow Resources Corporation

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12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

An analysis of investments including related gains and losses during the period is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Investments, beginning of period	442,032	17,324	8,085	6,930
Marketable securities received for private placement	-	-	1,643,775	-
Purchase of marketable securities	1,065,295	1,125,885	1,666,849	2,939,180
Disposition of marketable securities	(1,797,342)	(1,390,970)	(3,681,271)	(3,600,487)
Foreign exchange gain on marketable securities	401,506	287,239	617,875	727,000
Realized (loss) on marketable securities	(17,445)	(22,155)	(158,572)	(65,694)
Unrealized (loss) included in other comprehensive income	(1,540)	(3,464)	(4,235)	6,930
Investments, end of period	92,506	13,859	92,506	13,859

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and amounts receivable. The majority of the Company's receivables are with the government of Canada in the form of sales tax, the credit risk is minimal.

Overall the Company's credit risk has not changed significantly from the prior year. The Company places its cash and cash equivalents and short-term investments with financial institutions with high credit ratings, the credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future. See Note 1 for further information.

Golden Arrow Resources Corporation

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Notes to the Condensed Consolidated Interim Financial Statements

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12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

The Company has \$1,198,158 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk

(i) *Currency risk*

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include: US dollars and Argentine Pesos, all denominated in cash, amounts receivable and accounts payable. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the United States dollar and between the Canadian dollar and the Argentine Peso at September 30, 2015 is summarized as follows:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by \$1,594.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by \$13,364.

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears no interest and short-term investments are redeemable at any time without penalty, with interest paid from the date of purchase. The fair value of cash and short-term investments approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

13. SUBSEQUENT EVENTS

Business Combination with Pirquitas Mine

On October 1, 2015, the Company received its first option payment of CDN\$500,000 from Silver Standard Resources Inc.

Private Placement

On October 16, 2015, the Company completed a non-brokered private placement financing of 455,000 common shares of the Company at a price of \$0.50 per common share for gross proceeds of \$227,500.

Stock Options Expired

- On October 1, 2015, 835,000 stock options expired with an exercise price of \$0.35.
- On October 29, 2015, 75,000 stock options expired with an exercise price of \$0.38.
- On November 4, 2015, 820,000 stock options expired with an exercise price of \$0.40.

APPENDIX “N”
MANAGEMENT’S DISCUSSION AND ANALYSIS OF GOLDEN ARROW FOR THE NINE
MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

GOLDEN ARROW RESOURCES CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

Introduction

This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the condensed consolidated interim financial statements of Golden Arrow Resources Corporation (“Golden Arrow” or “the Company”) for the nine months ended September 30, 2015 and 2014 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to interim financial reporting. All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of November 17, 2015.

Company Overview

Golden Arrow Resources Corporation was created on July 7, 2004, as a result of a corporate restructuring plan (the “Reorganization”) completed by Kobex Minerals Inc. (“Kobex”) (formerly IMA Exploration Inc.). The address of the Company’s registered office is Suite 411 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6. The Company is listed on the TSX Venture Exchange.

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company’s material mineral property interest is located in South America. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties.

Principal Properties

The Company’s properties are all located in Argentina and include over 223,000 ha in five provinces. The following summary discusses only the most active/material projects. Unless otherwise stated, the technical information provided below has been reviewed by Brian McEwen, P.Geol., VP Exploration and Development for the Company, and a Qualified Person as defined under National Instrument 43-101.

1. Chinchillas Silver-Lead-Zinc Project, Jujuy

1.1 Background

On August 3, 2011 the Company signed an option agreement (“Option Agreement”) with a private group to acquire a 100% interest in the Chinchillas Project located in Jujuy Province. On July 21, 2015, the Company acquired its 100% interest in the project by making cash payments over four years to the vendor totaling USD\$1,866,000. The Chinchillas Project includes three contiguous exploitation concessions (“Minas”) totalling 2043 hectares.

The Chinchillas Project is located in the prolific Bolivian silver–zinc–tin belt which extends into northern Argentina. The project is road accessible, and work can be completed year-round.

Chinchillas is a Tertiary aged diatreme volcanic complex that has erupted through the Paleozoic basement schists. The resulting depression or basin, filled with volcanic breccias and tuffs is approximately 1.5 kilometres in diameter. Mineralization occurs starting at surface within the basin, hosted in favorable volcanic tuff units, hydrothermal breccias and along faults and structural zones as well as within basement schists and across the schist volcanic contacts. The mineralization occurs mostly as disseminations, veinlets and matrix filling in the volcanics, and within the basement as silver, lead and zinc in structures and breccias.

1.2 Exploration History

Historical drilling on the property includes of 2,996 m in 14 holes (7 RC and 7 diamond holes) by two previous operators within a 1.0 km by 0.4 km area. This drilling tested five main mineralized targets, providing focus for the Company's first drill program on two main zones:

The Socavon del Diablo Zone: host to Ag-Zn-Pb mineralization in volcanic tuffs and breccia in the eastern part of the basin, and; The Silver Mantos Zone: comprising the western part of the basin with several historic high grade silver intersections in flat-lying tuff and breccia zones.

Between April and June, 2012, the Company completed a 27 hole, 3,224 m drill program that focused on the Silver Mantos (12 holes) and Socavon del Diablo (9 holes) zones, with the remaining 6 holes testing outside targets. The program was successful in confirming and expanding the mineralized zones at Silver Mantos and Socavon del Diablo and in discovering new mineralized zones. Results were reported in news releases dated June 14, June 20, July 5, July 10 and July 24, 2012. Following the Phase I program, both zones remained open to expansion in all directions.

On November 26, 2012, the Company announced the commencement of a Phase II drill program of approximately 6,500 metres. The drill plan included infill and expansion holes as well as the testing of new areas, with the overall program designed to define a NI 43-101 compliant silver-lead-zinc resource at Chinchillas in 2013.

The Phase II drill program was concluded in early March 2013, and exceeded the planned drilling with a total of 7,286 metres completed over 49 holes. The step-out drilling successfully expanded the Socavon del Diablo and Silver Mantos mineralized zones in most directions. In addition, a second style of mineralization was identified in, and at the contact with, the Ordovician basement pelites and sandstone schists. This basement mineralization is characterized by silver, lead and zinc in structures and breccias within the basement schists, occurring beneath the volcanic hosts.

Phase II drill results were reported in news releases dated January 16, February 27, March 14, and April 11, 2013. For full details the reader is referred to the original news releases, as well as drill plan maps and summary tables of results posted to the Company's website.

The results of all drilling were compiled and modeled, and on May 9th, 2013, the Company reported the first independent NI 43-101 compliant resource estimate for the Chinchillas Project. A technical report supporting the resource estimate is filed on SEDAR dated June 20th 2013 and is no longer considered current.

In the third quarter of 2013, a surface exploration program, including surface mapping, sampling and a ground magnetic geophysical survey, was undertaken to define new drill targets in preparation for a Phase III drill program.

Prior to starting more drilling, it was determined that the size of the resource, the favorable geometry of the deposit to open pit mining, the encouraging preliminary metallurgical test results, and the good infrastructure at the property offered the Company an opportunity to complete a Preliminary Economic Assessment (PEA) to provide investors and interested parties with a baseline for the potential economics of the Project. This study was undertaken in the fourth quarter of 2013 and the results were announced in a news release dated December 5th 2013. The NI 43-101 technical report was filed on SEDAR dated January 20th, 2014 and is no longer considered current.

Following the first PEA the deposit remained open to expansion in most directions and it was apparent from the exploration work that additional drilling could significantly increase the resources and result in improved economics. In addition, new targets were developed in portions of the Project area that were granted after the Phase II drill program (see news release dated July 24th, 2013). Therefore a US\$2 million Phase III diamond drill program commenced in the first quarter of 2014 to expand the existing resources and test new target areas.

On April 24th, May 22nd, June 23rd, and July 24th, 2014, Golden Arrow released the results of drill holes targeting expansion of the resources at Chinchillas. (For completed details see the original news release filed on SEDAR.) Nearly all holes successfully intersected significant new silver, lead and zinc mineralization, particularly to the north, west, and at depth. The results were considered positive enough that the program was twice expanded to a final total of 8,985 metres of diamond drilling.

On May 29th, 2014 and July 22, 2014 Golden Arrow announced the results from eight exploration drill holes located between 300 metres and 1.5 kilometres south of the existing resource zones. These holes were located on the

Chinchilla I property which was newly permitted for exploration and drilling. All holes returned significant intercepts of silver, lead and zinc, with several mineralized starting from near surface and continuing down the length of the hole, while remaining open at depth. Mineralization occurs in brecciated basement schists, and tuffs. Zinc was particularly prevalent in most holes, with grades as high as 3.2% in individual intercepts.

Seven of these eight holes, covering approximately 0.8 square kilometres in this “Chinchillas South” area, were used to calculate a target potential of between 100 and 160 million tonnes at grades ranging from 32 to 40 grams per tonne silver equivalent. *(Target potential grades and quantities are conceptual in nature. There has been insufficient exploration to define a mineral resource, nor is it certain that further exploration will result in the target being delineated as a resource.)* Management is pleased with the results from the exploration of these targets, many of which were blind at surface, and believes this southern area shows excellent potential for the delineation of new resources. Additional modeling, surface exploration and drilling is required to fully understand the entire area. Similar work will be planned for future exploration throughout the rest of property, of which nearly 70% remains underexplored. For full details of the target potential, and results from these holes please refer to the original news releases filed on SEDAR.

On August 29th, 2014 Golden Arrow announced a new resource estimate for the Chinchillas project, incorporating all drill results up to and including the Phase III program. The total resources were increased by approximately 60% with a significant portion being upgraded to the Indicated category. The technical report by Davis et. al. with details supporting the resource estimate is filed on SEDAR dated October 10th, 2014 and is no longer considered current.

On October 30th, 2014 Golden Arrow announced an updated PEA based on the August 29th 2014 resource estimate. The NI 43-101 Technical Report by Kuchling et. al. supporting the updated PEA was filed on SEDAR dated December 3rd 2014. Following a general disclosure review by the British Columbia Securities Commission (see news release dated February 10th 2015), the Company filed an amended Technical Report on SEDAR dated February 13th, 2015. The amended PEA report mainly clarified cautionary language in accordance with NI 43-101 and contains no material changes to the preliminary economic parameters. As a new Technical Report outlining a substantial change in resources has now been filed (See Section 1.4 below), the PEA report is no longer considered current.

1.3 2015 Exploration

In November 2014 the Company commenced a fourth drilling program at Chinchillas. The program was planned to include up to 16,000 metres of diamond drilling to contribute to a feasibility study. The program goals include: testing the limits of the deposit in all directions, including at depth; in-filling drill hole spacing to facilitate the upgrade of the resource categories to Measured and Indicated, and; drilling for infrastructure and geotechnical studies.

On January 6th, January 19th, March 17th, April 1st, and April 15th, and June 25th Golden Arrow released the results from the Phase IV drill program. (For completed details see the original news releases filed on SEDAR.) The drill program was stopped with 11,162 metres drilled. The results obtained indicated that new mineralization was being encountered around and below the deposit, and the limits of the deposit were not reached in all areas despite the completion of over 11,000 metres of drilling. It was decided to postpone the remaining 5,000-metre condemnation metallurgical and geotechnical program until after the completion of a new resource estimate and a re-evaluation of program requirements. Results from the drilling resulted in a substantial increase in resources but not an upgrade of a significant portion to higher categories, as was originally planned.

1.4 Mineral Resource Estimate

On July 9th 2015 Golden Arrow released the final results from the Phase IV drill program and on July 31, 2015 released an updated mineral resource estimate for the Chinchillas project as shown in Table 1 below.

Table 1. Mineral Resource Statement for the Chinchillas Project, July 31, 2015.
Robert Sim, P.Geo, Bruce Davis, FAusIMM, Bruce Smith, MAusIMM CP(Geo).

Zone	Mtonnes	AgEq (g/t)	Ag (g/t)	Pb (%)	Zn (%)	AgEq (Moz)	Ag (Moz)	Pb (Mlbs)	Zn (Mlbs)
Indicated									
Silver Mantos	12.9	122.3	79.7	0.56	0.62	51	33	158	177
Silver Mantos Basement	7.7	151.0	107.0	0.94	0.28	38	27	160	49
Socavon	5.3	93.6	27.3	0.52	1.32	16	5	60	154
Total	25.9	125.0	77.2	0.66	0.66	104	64	379	379
Inferred									
Silver Mantos	8.0	96.7	49.2	0.57	0.75	25	13	101	132
Silver Mantos Basement	9.8	132.1	92.7	0.87	0.22	41	29	187	48
Socavon	7.8	76.4	32.3	0.36	0.86	19	8	62	148
Socavon Basement	21.6	77.7	37.88	0.41	0.7	54	26	193	333
Total	47.2	92.0	50.2	0.52	0.64	140	76	544	661

Notes to Tables 1:

- Totals may not add correctly due to rounding
- Mineral resources are contained within a pit shell generated using a silver price of \$25/oz.
- Silver equivalent grades, and the base case cut-off grade of 45g/t AgEq, are based on metal prices of \$19/oz silver and \$1/lb for Lead and Zinc.
- Mineral resources, which are not mineral reserves, do not have demonstrated economic viability.
- The quantity and grade of reported Inferred resources are uncertain in nature and there has been insufficient exploration to classify these inferred resources as Indicated or Measured, and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured category.

A NI 43-101 Technical Report authored by Davis et al., supporting the mineral resource estimate, was filed on SEDAR dated September 14th, 2015. The authors recommended advancing the Chinchillas project by updating the PEA based on the new mineral resource estimate, and initiating a Feasibility (or Pre-Feasibility) study. The latter study will require first completing 10,000 metres of infill drilling, 5,000 metres of condemnation, metallurgical, geotechnical and hydrogeological drilling, additional metallurgical testing, advancing social and environmental programs, and initiating the mine permitting process.

1.5 Subsequent Events

1.5.1 Business Combination Agreement

On October 1st, 2015, Golden Arrow announced that it had signed an agreement with Silver Standard Resources Inc. ("Silver Standard"; TSX: SSO; NASDAQ: SSRI) to combine Silver Standard's producing Pirquitas Mine and the Chinchillas project into a single new operation. Under the terms of the agreement, Golden Arrow will be a 25% owner of the new joint arrangement. The Pirquitas silver – zinc mine is located approximately 35 kilometres by road from Chinchillas, and the operation includes a 4,000 tpd mill and processing plant on site. Pirquitas produced 2.6 million ounces of silver and 2.1 million pounds of zinc in the third quarter of 2015¹.

¹ <http://ir.silverstandard.com/releasedetail.cfm?ReleaseID=935940>

The formal enacting of the joint arrangement is at Silver Standard's option, following a Preliminary Period that commenced October 1st, 2015, in which the two companies will work together to advance the understanding of the Chinchillas deposit and evaluate the feasibility of combining the two operations.

Golden Arrow considers the transaction to have several compelling aspects that will enable the jointly controlled mining entity to contribute to the development of Chinchillas while benefiting and protecting shareholders. These include:

1. **Short term non-dilutive financing and fully funded pre-development program.** During the maximum 18-month Preliminary Period, Silver Standard will pay Golden Arrow up to C\$2M on completion of certain milestones. Furthermore Silver Standard will fund the estimated US\$12.6M to complete the pre-development programs at Chinchillas during Preliminary Period, with a minimum expenditure commitment of US\$4M. Golden Arrow shareholders would have incurred significant dilution had these funds been raised using equity financing.
2. **Accrued cash flow during Preliminary Period.** On formation of the joint arrangement, Silver Standard will make a cash payment to Golden Arrow equal to 25% of the Pirquitas mine's cash equivalent earnings, if any, during the Preliminary Period, less certain expenditures for exploration (including pre-development expenditures), capital investment and closure costs incurred during the Preliminary Period, based on a pre-defined formula.
3. **Capital efficient development of Chinchillas.** Once the joint business is formed, Golden Arrow will hold a 25% share of the remaining production from Pirquitas. This may reduce the equity (or debt) financing requirements to put Chinchillas into production. Furthermore, the use of the Pirquitas mill, processing plant and other existing infrastructure and equipment will greatly reduce the capital required to start production at Chinchillas.
4. **Experienced Operating Capabilities.** The combined operation would be managed by Pirquitas' proven operational management team with extensive mine construction and operational expertise.
5. **Enhanced Community Benefits.** Golden Arrow and Silver Standard will undertake extensive engagement with communities and stakeholders to guide the joint development of the Chinchillas project to ensure the combined operation provides employment opportunities and lasting community investment.
6. **Risk-free advancement of the Chinchillas Project.** The Preliminary Period work programs will include substantial drilling, metallurgical studies, environmental studies, permitting work and other evaluations to move Chinchillas to a pre-feasibility or feasibility stage, with an estimated value of US\$12.6 million. Should Silver Standard not elect to move forward with the joint arrangement, this work will have been funded free to Golden Arrow and leave the Chinchillas project in a significantly advanced stage.

For additional details please refer to the original news release filed on SEDAR dated October 1st, 2015.

The transaction will be effected by way of a court approved Plan of Arrangement (the "Arrangement"). The Arrangement will be subject to approval by two thirds of the votes cast at a special meeting of the Golden Arrow shareholders. It is expected that Golden Arrow will prepare and mail a meeting circular to its shareholders within 45 days of the original news release, and that the special meeting of shareholders will be held by the end of 2015.

The Board of Golden Arrow has received an opinion from its financial advisor, Salman Partners Inc., that the consideration being offered under the Arrangement is fair, from a financial point of view, to the shareholders of Golden Arrow, other than Silver Standard.

The Board of Directors of Golden Arrow has unanimously concluded that the Arrangement is in the best interests of Golden Arrow and has recommended that its shareholders vote in favor of the transaction. The directors, officers, insiders and certain shareholders of Golden Arrow holding approximately 26% of the shares of Golden Arrow have entered into lock-up agreements with Silver Standard whereby such shareholders have agreed to vote in favor of the Arrangement.

The Arrangement is subject to a number of customary conditions including court and shareholder approval, the approval of the TSX Venture Exchange and the listing of the shares of New Golden Arrow on the TSX Venture Exchange. There can be no certainty that the Arrangement will be completed.

Advisors

Salman Partners Inc. is acting as financial advisor to Golden Arrow and has provided a fairness opinion to the Golden Arrow Board in connection with the transaction. Blake, Cassels & Graydon LLP is acting as legal counsel to Golden Arrow.

1.5.2 Commencement of Drilling

On October 27th, 2015, Golden Arrow announced that it had commenced a Phase IV Drill Program at Chinchillas as part of the pre-development activity period of Golden Arrow's business combination agreement with Silver Standard as announced on October 1st, 2015. The program was jointly developed by Golden Arrow and Silver Standard Inc. The priority drilling is infill to upgrade mineral resources and geotechnical holes to define high wall angles in the pit and is expected to be complete by the end of November. The program will also include drilling holes for hydrogeology, metallurgy, condemnation and exploration which is expected to be complete by Q1 2016. The drilling will bring the project to a pre-feasibility level in order to complete the proper engineering studies for optimal potential development.

2. Mogote Property, San Juan

On June 3, 2009, the Company announced that it had entered into a binding property transfer agreement to acquire from Iron South Mining Corp. four Peruvian property concessions and the remaining 51% interest in the 8,300 hectare Mogote copper-gold-silver property not already held by the Company. This transaction received shareholder approval on July 22, 2009 and regulatory approval on July 29, 2009. The Mogote project now includes approximately 8,800 hectares strategically-located in the Vicuna District of northern San Juan Province which includes NGEx Resources Inc.'s Josemaria copper-gold deposit in Argentina and Goldcorp Inc./New Gold's El Morro gold-copper porphyry in Chile.

On September 9, 2010 the Company announced that it had entered into an option agreement with Vale Exploracion Argentina, S.A. ("VEASA"), a wholly-owned subsidiary of Vale S.A. ("Vale"), on its Mogote project

During the first year program on Mogote Vale completed detailed lithological and alteration mapping on the Zona Colorida and Stockwork Hill zones, rock sampling, petrography and PIMA work as well as 40 lines of geophysics including 32 km of IP, 180 km of ground magnetics, 51 km of radiometrics and 170 km of digital GPS surveying. The geophysical surveys covered the central and a portion of the southern Mogote property.

In 2012, Vale completed a 7 hole, 3,695 m drill program at Mogote. Vale's drilling confirmed the existence of a copper porphyry system below the large and prominent steam leached alteration zone at the Zona Colorida. (see News Release dated June 18, 2012.) On January 14, 2013, the Company announced that Vale commenced a 10-hole, 7,500 m drill program at Mogote. The drill program targeted both porphyry copper-gold and precious metal epithermal mineralized zones identified during the 2011-12 field program, specifically the 3 holes in Filo Este, 3 holes in Filo Central, 2 holes in Zona Colorida and 2 holes in Stockwork hill.

On July 24, 2013, the Company announced that Vale provided notice of its decision to terminate the option agreement on the Mogote project. The Company is currently seeking new joint venture partners for the project.

3. Potrerillos Gold-Silver Project, San Juan

The Potrerillos property is located approximately 8 km due east of Barrick Gold's Veladero deposit, covering an area of 3,999 ha and shares many geologic similarities with both Veladero and nearby Pascua-Lama. Previous exploration campaigns were carried out on behalf of Golden Arrow's precursor company during 1999, 2000, and 2001. These resulted in the delineation of three significant target areas: Fabiana, Narelle and Panorama. Most work was focused on Fabiana and a short RC drill program was carried out on the Fabiana Zone in 2001 with no significant results. A data review and field visit to these properties was carried out in late 2008. No work was carried out during 2009.

In 2010, the Company commenced a comprehensive exploration program that continued through Q1 2011, focusing on the Panorama Zone where only limited prior sampling had been carried out. Three main styles of mineralization were defined:

- The Panorama Veins occur within an area approximately 1 km long by 50 m wide. Veta Juliet, one of several recently discovered veins, is 3.7 m wide where exposed, and has been traced on surface for over 100 m; a rock chip sample collected across the main outcrop grades 7.96 g/t Au and 665 g/t Ag over 2 m.
- Las Bandas are a series of very large gold-silver bearing calcite and quartz "bands" or veins that have been traced over a strike length of approximately 1 km. Outcrop exposures range from 12 to 20 m wide and contain significant gold-silver mineralization with select grab samples grading up to 3.07 g/t Au and 441 g/t Ag.
- Copper South is a series of discrete copper-silver occurrences located in a 2.5 km by 1.2 km area. Copper grades from selectively collected samples can be exceptionally high; for example a 1m chip returned 17.4% Cu and 38 g/t Ag. The zones are typically 2 to 10 m wide, by several hundred meters long.

In early 2011, the Company completed 508 m in 3 diamond drill holes of a planned 10 hole 3,000 m program. The program was cut short due to challenging weather and drilling conditions. The drilling targeted the Las Bandas-Panorama Veins target area, which together have a strike length of 2.6 km. The completed holes all stopped short of planned depth and many drill targets remain untested by drilling. Following are the highlights from the 3 holes:

- POT1 2011: The hole was drilled to 277 m total depth targeting Panorama Veins. Anomalous gold and silver values were intersected between 23 m and 40 m within silica veins and silicified breccias in andesite. The mineralized interval included 1 m at 1.14 g/t Au and 3.94 g/t Ag (32 m to 33 m) and 1 m at 1.57 g/t Au and 145.86 g/t Ag (39 m to 40 m).
- POT2 2011: This hole was drilled to 130 m total depth targeting Las Bandas. From 95 m to 103 m the hole cut 8 m averaging 0.25 g/t Au and 31.21 g/t Ag within an interval of drusy quartz-calcite stockwork veinlets hosted by silicified andesite.
- POT3 2011: This hole was drilled to 100.5 m total depth targeting Las Bandas. From 62 m to 65 m the hole cut 3 m averaging 0.01 g/t Au and 131.90 g/t Ag hosted by quartz calcite veinlets at the thrust contact between andesite volcanics and overlying rhyolites.

No work was carried out on the Potrerillos property during 2014. The property remains permitted, in good standing, and the Company is seeking an option or joint venture partner for the project.

4. *Pescado Gold Project, San Juan*

The Company holds 11 mineral claims in the Gualcamayo area of San Juan. These 100% owned claims cover nearly 22,000 ha and form the Pescado Gold Project.

In 2008, the Company negotiated with Barrick Gold Exploration through its subsidiary Barrick Exploraciones Argentina S.A. ("BEASA") to provide a right of way to access water from Golden Arrow's Rio de las Taguas property. In exchange for providing access to water for BEASA's Pascua Lama gold project, Golden Arrow acquired from BEASA 100% of the 1,592 ha Aspero 1 claim which is contiguous to the Pescado Gold Project.

The northern boundary of the Pescado Gold Project is 10 km south of the main gold zone on the Gualcamayo gold mine, in a similar geological and structural setting. It is between 1,500 m and 3,000 m elevation and is accessible for year-round exploration. To date the Pescado Gold Project properties have all had systematic silt sampling, follow-up soil grids and rock sampling surveys carried out, with the exception of Durazno which has had only preliminary silt and rock sampling completed. In total 806 rock samples, 383 stream sediment samples and 479 soil samples have been collected on the project. Highlights from rock chip sampling include: 1 m of 17.59 g/t Au; 1 m of 10.75 g/t Au and 1 m of 6.68 g/t Au (Pescado I and II); 2 m of 1.27 g/t Au; 2 m of 3.46 g/t Au and 2 m of 3.15 g/t Au (Yanso); 2 m of 0.13 g/t Au, 10.2 g/t Ag, >1% Cu, 3,535 ppm Pb and 2,719 ppm Zn (Durazno). A helicopter-borne aeromagnetic survey was conducted on the Pescado Gold Project in 2008. The survey was flown by New Sense Geophysics Limited and comprised 1,870 line kilometres covering the entire 18,000 ha property with 200 m spaced lines.

The Company is now seeking other potential optionors for the property.

5. Caballos, La Rioja

On September 8, 2011 Golden Arrow announced it had acquired the approximately 22,900 ha. Caballos Project through staking. The property is located in a prospective porphyry copper and epithermal gold-silver district along the Chilean border in western La Rioja Province.

The Company has completed two initial prospecting and sampling campaigns on Caballos, identifying a new high-grade porphyry copper showing, the Caballos Copper Zone, and the Refugio de Plata Zone, a partially exposed vein/breccia silver target.

Highlights from limited initial sampling include:

- 12 m @ 2.4% Cu from a composite rock chip sample across a diorite porphyry outcrop at the Caballos Copper Zone.
- 1 m @ 303 g/t Ag and 0.11 g/t Au from a chip sample of mineralized breccia at the Refugio de Plata Zone.

On January 30, 2012 Golden Arrow announced it had staked a new license, Ritsuko (3,237 ha), and the Company's total land holdings in the prospective Caballos district now stands at approximately 25,195 ha.

The Company completed bulldozer road access in January along with trenching and sampling. Talus fine sampling has defined a 1.4 km anomalous zone with up to 1,667 ppm Cu and up to 150 ppb Au.

During Q1 2012, the Company completed a program of detailed ground magnetic and IP/Resistivity surveys at Caballos to define drill targets. On March 1, 2012, the Company announced that the program had resulted in the discovery of a large copper-gold porphyry target. The magnetic core of the interpreted porphyry system, 300 m by 800 m in dimensions, is largely covered by talus. The IP/Resistivity survey, conducted by Quantec Geoscience, shows a large chargeability high that closely correlates with the interpreted magnetic porphyry core. Talus fine sampling has been completed in the southern half of the porphyry target, defining an 1,100 m by 400 m area with elevated copper geochemistry (+50 ppm Cu envelope with a high of 1667 ppm Cu) and, in an overlapping but slightly reduced area, a gold geochemical anomaly (+20 ppb Au envelope with a high of 149 ppb Au), both centered on the quartz-magnetite stockwork exposure. The Company is seeking an option or joint venture partner for the property.

6. Don Bosco, La Rioja

On June 1, 2011 the Company announced it had acquired by staking a 100% interest in the 32,800 ha Don Bosco Project in western La Rioja Province, Argentina. The project has since been reduced to a core set of properties of approximately 9,300 ha. The project is located in the Pre-Cordillera region and elevations range from 2,500 m to 3,500 m above sea level. Work can be conducted all year round and a paved highway allows easy access to the southern part of the property.

The Don Bosco Project includes historical copper and gold prospects and high-grade mineralized zones identified by the Company's reconnaissance team. Golden Arrow has completed several prospecting/sampling campaigns on Don Bosco. To date a total of 514 rock chip samples have been collected from three distinct target areas on Don Bosco; San Alberto - El Pircado Cu-Au skarn, Llantenos Copper zone and Las Minitas Silver zone.

Highlights for each zone include:

- San Alberto-El Pircado Zone
 - 2.4m averaging 2.04 g/t Au, 114 ppm Ag and 10.0% copper
- Llantenos Zone
 - 25% Cu, 0.64 g/t Au, 82 g/t Ag (grab sample)
 - 2m grading 3.3% Cu (chip sample)
- Las Minitas Silver Zone
 - 111 g/t Ag over 1m (chip sample)

The skarn-type mineralization identified in the north-central portion of the Don Bosco Project in the San Alberto-El Pircado zones covers an area 1.3 km by 900 m. Skarn mineralization appears to be developed primarily within limestone protoliths bordering a large granite intrusive body to the east. It is exposed along east-west ridge lines and flanks at San Alberto (northern ridge) and El Pircado (southern ridge) which are separated by a deeply incised valley with little exposure. Limestone protolith skarn mineralization is both structurally controlled and disseminated.

Classic skarn mineralogy includes magnetite hornfels, massive amphibole zones and disseminated garnet and wollastonite zones.

The Company is seeking an option or joint venture partner for the property.

Results of Operations – For the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014

Loss from operating activities

During the nine months ended September 30, 2015, loss from operating activities increased by \$277,653 to \$7,147,300 compared to \$6,869,647 for the nine months ended September 30, 2014. The increase in loss from operating activities is largely due to:

- An increase of \$128,361 in salaries and employee benefits plus administration and management services. Salaries and employee benefits plus administration and management services were \$969,899 for the nine months ended September 30, 2015 compared to \$841,538 for the nine months ended September 30, 2014. The Company was charged a higher amount for its usage relating to Grosso Group's costs due to increased administration and management of the Company's activities during the nine months ended September 30, 2015 compared to a lower amount for its usage relating to Grosso Group's costs due to less administration and management of the Company's activities during the nine months ended September 30, 2014.
- An increase of \$82,215 in corporate development and investor relations. Corporate development and investor relations was \$401,178 for the nine months ended September 30, 2015 compared to \$318,963 for the nine months ended September 30, 2014. The Company undertook a greater number of activities relating to promotion of the Company's projects, with primary emphasis on the Phase IV drill program and updated resource estimate during the nine months ended September 30, 2015 compared to a lesser number of activities relating to promotion of the Company's projects during the nine months ended September 30, 2014.
- An increase of \$663,484 in professional fees. Professional fees were \$801,762 for the nine months ended September 30, 2015 compared to \$138,278 for the nine months ended September 30, 2014. The increase is primarily due to a greater amount of legal, financial advisory, consulting and professional services required as the Company evaluates strategic opportunities with emphasis on a joint arrangement with Silver Standard Resources Inc. for the advancement of the Chinchillas project during the nine months ended September 30, 2015 compared to a lesser amount of legal, financial advisory, consulting and professional services required as a result of no such agreement being contemplated during the nine months ended September 30, 2014.
- An increase of \$124,776 in share-based compensation. Share-based compensation was \$440,431 for the nine months ended September 30, 2015 compared to \$315,655 for the nine months ended September 30, 2014. The increase is due to 2,520,000 fully vested stock options granted and the incremental vesting of 375,000 stock options granted during the nine months ended September 30, 2015 compared to 2,605,000 fully vested stock options granted and the incremental vesting of 300,000 stock options granted during the nine months ended September 30, 2014.

The increases were partially offset by:

- A decrease of \$682,625 in exploration. Exploration expense was \$4,026,308 for the nine months ended September 30, 2015 compared to \$4,708,933 for the nine months ended September 30, 2014. The Company completed 6,860m of diamond drilling for a total of 11,162m of a planned 16,000m Phase IV diamond drilling program that commenced in 2014 at its Chinchillas project in Jujuy, Argentina during the nine months ended September 30, 2015 compared to completing 8,985m of a planned 9,000m Phase III diamond drilling program at its Chinchillas project in Jujuy, Argentina during the nine months ended September 30, 2014.
- A decrease of \$83,348 in travel and accommodation. Travel and accommodation was \$54,446 for the nine months ended September 30, 2015 compared to \$137,794 for the nine months ended September 30, 2014. Less travel was required due to decreased business development activity during the nine months ended September 30, 2015 compared to a greater amount of travel required due to increased business

development activity during the nine months ended September 30, 2014.

Other items

During the nine months ended September 30, 2015, other items decreased by \$32,867 to \$645,366 compared to \$678,233 for the nine months ended September 30, 2014. The decrease in other items is largely due to:

- An increase of \$78,228 in foreign exchange gain. Foreign exchange gain was \$804,484 for the nine months ended September 30, 2015 compared to \$726,256 for the nine months ended September 30, 2014. The increase is due to more purchases and sales of Argentinean government bonds, for the purpose of funding the Company's Argentinean subsidiary, exchanged at more favorable foreign exchange rates resulting from the fluctuation of the Argentinean Peso and US dollar against the Canadian dollar during the nine months ended September 30, 2015 compared to fewer purchases and sales of Argentinean government bonds exchanged at less favorable foreign exchange rates during the nine months ended September 30, 2014.
- An increase of \$92,878 in loss on sale of marketable securities. Loss on sale of marketable securities was \$158,572 for the nine months ended September 30, 2015 compared to \$65,694 for the nine months ended September 30, 2014. The increase is due to the purchase and sale of Argentinean government bonds, for the purpose of funding the Company's Argentinean subsidiary, and the sale of marketable securities that were received as part of a private placement in June 2015 at less favorable prices due to market fluctuation during the nine months ended September 30, 2015.

The net loss for the nine months ended September 30, 2015 was \$6,501,934 or \$0.12 per basic and diluted share compared to \$6,191,414 or \$0.15 per basic and diluted share for the nine months ended September 30, 2014.

Cash Flow

Operating Activities

Cash outflow from operating activities was \$3,859,767 for the nine months ended September 30, 2015 compared to \$5,611,224 for the nine months ended September 30, 2014. The decrease in cash outflow results primarily from higher corporate and administrative cash costs more than offset by a decrease in exploration expenditures of \$682,625 and changes in non-cash working capital balances due to timing of receipt and payment of cash compared to the prior period.

Investing Activities

Cash inflow from investing activities was \$408,386 for the nine months ended September 30, 2015 compared to \$1,666,732 for the nine months ended September 30, 2014. Mineral property expenditures were \$1,606,036 during the nine months ended September 30, 2015 compared to \$244,575 during the nine months ended September 30, 2014 primarily due to the timing of the option payments on the Chinchillas property during these respective periods. The Company purchased marketable securities of \$1,666,849 and disposed of marketable securities of \$3,681,271 during the nine months ended September 30, 2015 compared to purchases of marketable securities of \$2,939,180 and disposal of marketable securities of \$3,600,487 during the nine months ended September 30, 2014. Proceeds from the exercise of warrant put right was \$Nil during the nine months ended September 30, 2015 compared to \$1,250,000 during the nine months ended September 30, 2014.

Financing Activities

Cash inflow from financing activities was \$2,251,453 for the nine months ended September 30, 2015 compared to an outflow of \$174,143 for the nine months ended September 30, 2014. Proceeds from the issuance of common shares and warrants were \$1,230,833 offset by share issue costs of \$2,480 for the nine months ended September 30, 2015 compared to \$Nil for the nine months ended September 30, 2014. Subscription receipts in advance of a private placement was \$227,500 for the nine months ended September 30, 2015 compared to \$Nil for the nine months ended September 30, 2014. Proceeds from the issuance of loans were \$768,100 for the nine months ended September 30, 2015 compared to no such similar transaction for the nine months ended September 30, 2014. For the nine months ended September 30, 2015, the Company did not repurchase common shares relating to the Company's share repurchase program completed in the prior year compared to repurchases of common shares of \$172,234 and share repurchase costs of \$1,909 for the nine months ended September 30, 2014. Proceeds from the exercise of

warrants were \$27,500 for the nine months ended September 30, 2015 compared to no warrant exercises for the nine months ended September 30, 2014.

Results of Operations – For the three months ended September 30, 2015 compared to the three months ended September 30, 2014

Loss from operating activities

During the three months ended September 30, 2015, loss from operating activities increased by \$296,970 to \$1,723,450 compared to \$1,426,480 for the three months ended September 30, 2014. The increase in loss from operating activities is largely due to:

- An increase of \$57,486 in exploration. Exploration expense was \$793,160 for the three months ended September 30, 2015 compared to \$735,674 for the three months ended September 30, 2014. The increase results from exploration expenses primarily consisting of assaying, metallurgical testing, geological modelling and ongoing camp costs with emphasis on completion of an updated resource estimate after completing an additional 6,860m of a planned 16,000m Phase IV diamond drilling program that commenced in 2014 at its Chinchillas project in Jujuy, Argentina during the three months ended September 30, 2015 compared to completing a preliminary resource estimate subsequent to the Company's Phase III diamond drilling program at its Chinchillas project in Jujuy, Argentina during the three months ended September 30, 2014.
- An increase of \$342,437 in professional fees. Professional fees were \$395,555 for the three months ended September 30, 2015 compared to \$53,208 for the three months ended September 30, 2014. The increase is primarily due to a greater amount of legal, financial advisory, consulting and professional services required as the Company evaluates strategic opportunities with emphasis on a joint arrangement with Silver Standard Resources Inc. for the advancement of the Chinchillas project during the three months ended September 30, 2015 compared to a lesser amount of legal, financial advisory, consulting and professional services required as a result of no such agreement being contemplated during the three months ended September 30, 2014.

The increase was partially offset by:

- A decrease of \$56,501 in travel and accommodation. Travel and accommodation was \$7,154 for the three months ended September 30, 2015 compared to \$63,655 for the three months ended September 30, 2014. Less travel was required due to decreased business development activity during the three months ended September 30, 2015 compared the three months ended September 30, 2014.

Other items

During the three months ended September 30, 2015, other items increased by \$305,847 to \$537,126 compared to \$231,279 for the three months ended September 30, 2014. The increase in other items is largely due to:

- An increase of \$311,176 in foreign exchange gain. Foreign exchange gain was \$564,109 for the three months ended September 30, 2015 compared to \$252,933 for the three months ended September 30, 2014. The increase is due to more purchases and sales of Argentinean government bonds, for the purpose of funding the Company's Argentinean subsidiary, exchanged at more favorable foreign exchange rates resulting from the fluctuation of the Argentinean Peso and US dollar against the Canadian dollar during the three months ended September 30, 2015 compared to fewer purchases and sales of Argentinean government bonds exchanged at less favorable foreign exchange rates during the three months ended September 30, 2014.

The net loss for the three months ended September 30, 2015 was \$1,186,324 or \$0.02 per basic and diluted share compared to \$1,195,201 or \$0.03 per basic and diluted share for the three months ended September 30, 2014.

Balance Sheet

At September 30, 2015, the Company had total assets of \$3,662,392 compared with \$3,208,679 in total assets at December 31, 2014. The increase primarily results from an increase in mineral property interests of \$1,106,036,

accounts receivable of \$522,967 and investments of \$84,421 partially offset by a decrease in cash and cash equivalents of \$1,199,928 due to exploration expenditures and on-going corporate and administrative cash costs.

Selected Quarterly Financial Information

	2015			2014			2013	
	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net (Loss) Income	(1,186,324) ⁽⁷⁾	(2,152,558) ⁽⁶⁾	(3,163,052) ⁽⁵⁾	(2,340,434) ⁽⁴⁾	(1,195,201) ⁽³⁾	(2,998,812) ⁽²⁾	(1,997,401) ⁽¹⁾	(1,400,430)
Net (Loss) Income per Common Share Basic and Diluted	(0.03)	(0.04)	(0.06)	(0.06)	(0.03)	(0.07)	(0.05)	(0.03)

- (1) Increase primarily driven by an increase in exploration expenditures of \$686,761, foreign exchange gain of \$280,942 and share-based compensation of \$264,903 partially offset by a decrease in professional fees of \$68,985.
- (2) Increase primarily driven by an increase in exploration expenditures of \$1,140,353.
- (3) Decrease primarily driven by a decrease in exploration expenditures of \$1,821,132.
- (4) Increase primarily driven by an increase in exploration expenditures of \$819,221, write-off of mineral property interests of \$100,050 partially offset by a decrease in foreign exchange gain of \$232,079.
- (5) Increase primarily driven by an increase in exploration expenditures of \$866,359.
- (6) Decrease primarily driven by a decrease foreign exchange gain of \$148,847 and exploration expenditures of \$1,609,360 partially offset by an increase in share-based compensation of \$430,616.
- (7) Decrease primarily driven by a decrease in share-based compensation of \$430,140, corporate development and investor relations of \$63,859 partially offset by an increase in professional fees of \$210,895 and an increase in foreign exchange gain of \$518,345.

Liquidity and Capital Resources

The Company has experienced recurring operating losses and has an accumulated deficit of \$30,311,982 at September 30, 2015. In addition, the Company has a working capital deficiency of \$1,174,943 at September 30, 2015. Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These recurring losses and working capital deficiency create material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments (as disclosed in Note 1 of the Company's condensed consolidated interim financial statements for the nine months ended September 30, 2015) and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals.

The Company's condensed consolidated interim financial statements for the nine months ended September 30, 2015 do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

The condensed consolidated interim financial statements for the nine months ended September 30, 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company does not know of any trends, demand, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the exploration programs. The Company does not have any loans or bank debt and there are no restrictions on the use of its cash resources.

Commitments

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	\$	\$	\$	\$	\$
Management Services Agreement	253,500	1,014,000	-	-	-

Management Services Agreement

On April 1, 2010, the Company entered into an Agreement with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by an officer and director of the Company and also has another common director with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current monthly fee is \$84,500 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

Chinchillas Option Agreement

Under the terms of the Chinchillas Option Agreement, signed August 3, 2011, Golden Arrow acquired a 100% interest in the Chinchillas project on July 21, 2015 by making cash payments over four years to the vendor totaling USD\$1,866,000.

Furthermore the Company must make an additional payment of USD\$1,200,000 to the vendor upon the commencement of commercial production.

Shares for Services

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	\$	\$	\$	\$	\$
Drilling Services	136,428	-	-	-	-
Subscription receipts	227,500	-	-	-	-
	363,928	-	-	-	-

Drilling Services

Under the terms of a shares for services agreement (the "Agreement") signed March 10, 2014 and as amended on November 1, 2014, up to 16,000 meters of drilling shall be paid for by issuing up to a total of 2,378,404 common shares of the Company subject to TSX Venture exchange approval. The issued shares will be escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the date of completion of the drilling services or the expiry of three years following the date of the Agreement.

For the nine months ended September 30, 2015, the Company issued 924,369 (nine months ended September 30, 2014 – 336,134) common shares in respect of drilling services received prior to December 31, 2014 and has recognized \$1,656,348 (nine months ended September 30, 2014 - \$1,140,785) for 6,539 meters drilled up to September 30, 2015 (5,346 meters drilled up to September 30, 2014) to be paid for by issuing common shares of the Company subject to TSX Venture exchange approval in accordance with the terms of the Agreement.

At September 30, 2015, the Company has cumulatively issued 1,260,503 common shares and has recognized \$2,793,095 for a total of 11,539 meters of drilling services received since the commencement of the Agreement.

Subscription Receipts

As at September 30, 2015, the Company was advanced \$227,500 representing 455,000 common shares of the Company to be issued at a price of \$0.50 per share subject to TSX Venture exchange approval.

See subsequent events for further information.

Capital Stock

The Company's authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

As at September 30, 2015, an aggregate of 55,381,767 common shares were issued and outstanding. As at the date of this report, 55,836,767 common shares were issued and outstanding.

Details of Issues and Repurchases of Common Shares in 2015 and 2014

On January 16, 2015, the Company completed the second tranche of a non-brokered private placement consisting of 2,739,000 units at a price of \$0.20 per unit for gross proceeds of \$547,800. Each unit consisted of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of \$0.25 per share for two years from the date of issue of the warrant. The Company is entitled to accelerate the expiry date of the warrants if the 15-day volume weighted average stock price of the Company trades \$0.35 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day after receiving the notice. Finders' fees were \$2,480 in cash and 12,400 in warrants exercisable into common shares at \$0.25 per share for two years having a fair value of \$1,404. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 0.89%; expected stock price volatility – 95.86%; dividend yield of 0%; and expected warrant life of 1.44 years.

On January 27, 2015, the Company completed a non-brokered private placement consisting of 442,056 common shares at a price of US\$1.214777 (CDN\$1.456033) per share for gross proceeds of US\$537,000 (CDN\$643,648).

On February 17, 2015, pursuant to the terms of a shares for services agreement (the "Agreement"), the Company obtained TSX Venture Exchange approval to issue 420,168 common shares of the Company as payment for completion for certain drilling services. The issued shares will be escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the date of completion of the drilling services or the expiry of three years following the date of the Agreement.

On February 23, 2015, the Company completed a private placement consisting of 100,000 units at a price of \$0.20 per unit for gross proceeds of \$20,000. Each unit consisted of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of \$0.26 per share for two years from the date of issue of the warrant. The Company is entitled to accelerate the expiry date of the warrants if the 15-day volume weighted average stock price of the Company trades \$0.35 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 0.38%; expected stock price volatility – 97.03%; dividend yield of 0%; and expected warrant life of 1.45 years.

On June 4, 2015, the Company completed a private placement consisting of 4,285,714 common shares at a price of \$0.35 per share. Upon closing, the Company received non-cash consideration of 214,592 common shares of Pretium Resources Inc. (TSX: PVG) at a price of \$7.66 per share for gross proceeds of \$1,643,775.

On August 15, 2014, pursuant to the terms of a shares for services agreement (the "Agreement"), the Company obtained TSX Venture Exchange approval to issue 336,134 common shares of the Company as payment for completion for certain drilling services. The issued shares were escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the date of completion of the drilling services or the expiry of three years following the date of the Agreement.

On December 22, 2014, the Company completed the first tranche of a non-brokered private placement consisting of 5,080,000 units at a price of \$0.20 per unit for gross proceeds of \$1,016,000. Each unit consisted of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of \$0.25 per share for two years from the date of issue of the warrant. The Company is entitled to accelerate the expiry date of the warrants if the 15-day volume weighted average stock price of the Company trades \$0.35 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day. Finders' fees were \$26,640 in cash and 132,200 in warrants

exercisable into common shares at \$0.25 per share for two years having a fair value of \$13,667. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 1.01%; expected stock price volatility – 94.87%; dividend yield of 0%; and expected warrant life of 1.47 years.

On November 19, 2013, the TSX Venture Exchange accepted a notice of intention whereby the Company made a Normal Course Issuer Bid (“NCIB”) to purchase its own common shares for cancellation through the facilities of the Exchange at the prevailing market price. The number of common shares purchased by the Company was in no event to be in excess of 5% of the issued and outstanding common shares, such amount not to exceed 1,000,000 common shares of the 41,823,655 issued and outstanding at the date the NCIB commenced.

During 2014 the Company acquired and cancelled 763,500 of its own common shares for an aggregate purchase price of \$174,143 and incurred common share repurchase costs of \$1,909.

The Company had the following warrants outstanding as at the date of this report:

Number of Warrants Outstanding	Exercise Price (CAD\$)	Expiry Date
5,213,200	\$0.25	December 18, 2016
2,641,400	\$0.25	January 15, 2017
100,000	\$0.26	February 22, 2017
7,954,600		

The following summarizes information about the Company’s share options outstanding and exercisable as at the date of this report:

Number of Shares		Exercise Price (CAD\$)	Expiry Date
Outstanding	Exercisable		
150,000	150,000	\$0.32	November 25, 2015
50,000	50,000	\$0.30	June 24, 2017
200,000	200,000	\$0.32	November 25, 2017
200,000	200,000	\$0.31	November 29, 2017
200,000	200,000	\$0.35	May 28, 2018
2,505,000	2,505,000	\$0.35	March 25, 2019
380,000	380,000	\$0.35	April 16, 2019
20,000	20,000	\$0.35	April 30, 2019
2,595,000	2,557,500	\$0.35	June 11, 2020
6,300,000	6,262,500		

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Related Party Balances and Transactions

On April 1, 2010, the Company entered into a Management Services Agreement (“Agreement”) with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by an officer and director of the Company and also has another common director with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group’s costs including its staff and overhead costs among the member companies. This fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expired on December 31, 2014 and was automatically renewed for a period of two years pursuant to the terms of the Agreement. The Agreement contains termination and early termination fees in the event the services are terminated by the Company.

The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of \$750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of \$1,000,000.

Transactions	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Services rendered:				
Grosso Group Management Ltd.				
Administration and management services	156,000	144,300	456,000	308,700
Rent, parking and storage	67,500	67,200	202,500	173,400
Office & sundry	30,000	36,000	108,000	100,200
Total for services rendered	253,500	247,500	766,500	582,300

At September 30, 2015, the Company had \$137,975 (September 30, 2014 - \$Nil) included in accounts payable and accrued liabilities to Grosso Group.

Mr. Joseph Grosso

Mr. Joseph Grosso, a director and chief executive officer of the Company, and his spouse, received share-based benefits of \$144,723 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$55,298).

Oxbow International Marketing Corp. ("Oxbow") is a private company controlled by Mr. Joseph Grosso. For the three months ended September 30, 2015, Oxbow was paid \$31,250 (three months ended September 30, 2014 - \$31,250) for management consulting services. For the nine months ended September 30, 2015, Oxbow was paid \$93,750 (nine months ended September 30, 2014 - \$93,750) for management consulting services. Amounts paid to Oxbow are classified as salaries and employee benefits in the consolidated statements of loss and comprehensive loss.

At September 30, 2015, the Company had \$48,520 (September 30, 2014 - \$32,949) included in accounts payable and accrued liabilities to Oxbow.

At September 30, 2015, the Company had the following related party loans payable:

	September 30, 2015		
	Maturity	Currency	Fair value
Unsecured, non-interest bearing	On demand	Canadian dollar	\$200,000
Unsecured, 12% annual interest rate	On demand	Canadian dollar	\$300,000
Unsecured, 12% annual interest rate	On demand	Canadian dollar	\$50,000
Unsecured, 12% annual interest rate	On demand	Canadian dollar	\$147,000
			\$697,000

During the nine months ended September 30, 2015, the Company entered into loan agreements with the spouse of the Chief Executive Officer of the Company. The principal amount of the loans is used for working capital purposes. The principal balance of the loans, together with all accrued and unpaid interest thereon shall become due and payable in full on the maturity date. The Company may repay the loans in whole or in part at any time, without notice or penalty.

At September 30, 2015, the Company had \$9,969 (September 30, 2014 - \$Nil) included in interest payable to a related party.

At December 31, 2014, the Company did not have any related party loans outstanding.

Mr. Nikolaos Cacos

Mr. Nikolaos Cacos, a director of the Company, received share-based benefits of \$68,105 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$22,120).

Cacos Consulting Ltd. ("Cacos Consulting") is a private company controlled by Mr. Nikolaos Cacos. For the three months ended September 30, 2015, Cacos Consulting was paid \$48,750 (three months ended September 30, 2014 - \$43,750) for management consulting services. For the nine months ended September 30, 2015, Cacos Consulting was paid \$146,250 (nine months ended September 30, 2014 - \$103,750) for management consulting services. Amounts paid to Cacos Consulting are classified as administration and management services in the consolidated statements of loss and comprehensive loss.

At September 30, 2015, the Company had \$26,250 (September 30, 2014 - \$Nil) included in accounts payable and accrued liabilities to Cacos Consulting.

Dr. David Terry

Dr. David Terry, a director and former officer to the Company, was paid director and audit committee chair fees of \$4,000 for the three months ended September 30, 2015 (three months ended September 30, 2014 - \$4,000). Dr. David Terry was paid director and audit committee chair fees of \$12,000 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$12,000) and received share-based benefits of \$34,053 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$11,060).

Vinland Holdings Ltd. ("Vinland") is a private company controlled by Dr. David Terry. For the three months ended September 30, 2015, Vinland was paid \$1,425 (three months ended September 30, 2014 - \$5,550) for geological services. For the nine months ended September 30, 2015, Vinland was paid \$9,975 (nine months ended September 30, 2014 - \$11,175) for geological services. Amounts paid to Vinland are classified as administration and management services in the consolidated statements of loss and comprehensive loss.

At September 30, 2015, the Company had \$5,824 (September 30, 2014 - \$3,125) included in accounts payable and accrued liabilities to Vinland.

Mr. Louis Salley

Mr. Louis Salley, a director of the Company, was paid director fees of \$3,000 for the three months ended September 30, 2015 (three months ended September 30, 2014 - \$3,000). Mr. Louis Salley was paid director fees of \$9,000 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$9,000) and received share-based benefits of \$34,053 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$16,589). Amounts paid to Mr. Louis Salley are classified as salaries and employee benefits in the consolidated statements of loss and comprehensive loss.

At September 30, 2015, the Company had \$1,026 (September 30, 2014 - \$Nil) included in accounts payable and accrued liabilities to Mr. Louis Salley.

Salley Bowes Harwardt Law Corp. ("Salley Bowes Harwardt") is a private company of which Mr. Louis Salley is an owner. For the three months ended September 30, 2015, Salley Bowes Harwardt was paid \$Nil (three months ended September 30, 2014 - \$4,765) for legal services. For the nine months ended September 30, 2015, Salley Bowes Harwardt was paid \$18,696 (nine months ended September 30, 2014 - \$36,824) for legal services. Amounts paid to Salley Bowes Harwardt are classified as professional fees in the consolidated statements of loss and comprehensive loss.

At September 30, 2015, the Company had \$8,797 (September 30, 2014 - \$Nil) included in accounts payable and accrued liabilities to Salley Bowes Harwardt.

Mr. John Gammon

Mr. John Gammon, a director of the Company, was paid director and corporate governance committee chair fees of \$7,000 for the three months ended September 30, 2015 (three months ended September 30, 2014 - \$7,000). For the

nine months ended, Mr. John Gammon was paid director and corporate governance committee chair fees of \$13,000 (nine months ended September 30, 2014 - \$13,000) and received share-based benefits of \$17,026 for the nine months ended September 30, 2015 (nine months ended September 30, 2014 - \$8,295). At September 30, 2015, the Company had \$5,026 (September 30, 2014 - \$Nil) included in accounts payable and accrued liabilities to Mr. John Gammon.

Key management personnel compensation

Three months ended September 30, 2015				Three months ended September 30, 2014		
Compensation	Salaries \$	Share- based benefits \$	Total \$	Salaries \$	Share- based benefits \$	Total \$
Chief Executive Officer	31,250	-	31,250	31,250	-	31,250
Chief Financial Officer	15,000	-	15,000	15,000	-	15,000
Total	46,250	-	46,250	46,250	-	46,250
Nine months ended September 30, 2015				Nine months ended September 30, 2014		
Compensation	Salaries \$	Share- based benefits \$	Total \$	Salaries \$	Share- based benefits \$	Total \$
Chief Executive Officer	93,750	119,184	212,934	93,750	55,298	149,049
Chief Financial Officer	45,000	8,513	53,513	41,000	9,717	50,717
Total	138,750	127,697	266,447	134,750	65,015	199,765

The tables do not include amounts paid to non-executive directors.

Subsequent Events

Business Combination with Pirquitas Mine

On October 1, 2015, the Company received its first option payment of CDN\$500,000 from Silver Standard Resources Inc.

Private Placement

On October 16, 2015, the Company completed a non-brokered private placement financing of 455,000 common shares of the Company at a price of \$0.50 per common share for gross proceeds of \$227,500.

Stock Options Expired

- On October 1, 2015, 835,000 stock options expired with an exercise price of \$0.35.
- On October 29, 2015, 75,000 stock options expired with an exercise price of \$0.38.
- On November 4, 2015, 820,000 stock options expired with an exercise price of \$0.40.

Critical Accounting Estimates and Recent Accounting Pronouncements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from these estimates.

Reference should be made to the Company's significant accounting policies contained in Note 2 of the Company's condensed consolidated interim financial statements for the nine months ended September 30, 2015. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

New Accounting Standards and Interpretations

The International Accounting Standards Board (“IASB”) has issued new and amended standards and interpretations which have not yet been adopted by the Company. The following is a brief summary of the new and amended standards and interpretations:

IFRS 9 – Financial Instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. In July 2014 IFRS 9, Financial Instruments (“IFRS 9”) was issued. The completed standard provides revised guidance on the classification and measurement of financial assets and financial liabilities. It also introduces a new expected credit loss model for calculating impairment for financial assets. This final version of IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 9 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

Financial Instruments

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, short-term investments, share purchase warrants and amounts receivable. The majority of the Company’s receivables are with the government of Canada in the form of sales tax, the credit risk is minimal.

Overall the Company’s credit risk has not changed significantly from the prior year. The Company places its cash and cash equivalents and short-term investments with financial institutions with high credit ratings, the credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future.

As of September 30, 2015, the Company has \$1,198,158 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk

(i) Currency risk

Financial instruments that impact the Company’s net earnings or other comprehensive income due to currency fluctuations include: US dollars and Argentine Pesos, all denominated in cash, amounts receivable and accounts

payable. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the United States dollar and between the Canadian dollar and the Argentine Peso at September 30, 2015 is summarized as follows:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net earnings by \$1,594.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net earnings by \$13,364.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears no interest and short-term investments are redeemable at any time without penalty, with interest paid from the date of purchase. The fair value of cash and short-term investments approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

Risk Factors and Uncertainties

The Company's operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk.

The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. A number of the risks and uncertainties are discussed below:

History of losses: The Company has historically incurred losses as evidenced by its audited consolidated financial statements for the years ended December 31, 2014 and 2013. The Company has financed its operations principally through the sale of its equity securities. The Company does not anticipate that it will earn any revenue from its operations until its properties are placed into production, if ever. If the Company is unable to place its properties into production, the Company may never realize revenues from operations, will continue to incur losses and you may lose the value of your investment.

Joint ventures and other partnerships: The Company may seek joint venture partners to provide funding for further work on any or all of its other properties. Joint ventures may involve significant risks and the Company may lose any investment it makes in a joint venture. Any investments, strategic alliances or related efforts are accompanied by risks such as:

1. the difficulty of identifying appropriate joint venture partners or opportunities;
2. the time the Company's senior management must spend negotiating agreements, and monitoring joint venture activities;
3. the possibility that the Company may not be able to reach agreement on definitive agreements, with potential joint venture partners;
4. potential regulatory issues applicable to the mineral exploration business;
5. the investment of the Company's capital or properties and the loss of control over the return of the Company's capital or assets;
6. the inability of management to capitalize on the growth opportunities presented by joint ventures; and
7. the insolvency of any joint venture partner.

There are no assurances that the Company would be successful in overcoming these risks or any other problems encountered with joint ventures, strategic alliances or related efforts.

Unexpected delays: The Company's minerals business will be subject to the risk of unanticipated delays including permitting its contemplated projects. Such delays may be caused by fluctuations in commodity prices, mining risks, difficulty in arranging needed financing, unanticipated permitting requirements or legal obstruction in the permitting process by project opponents. In addition to adding to project capital costs (and possibly operating costs), such delays, if protracted, could result in a write-off of all or a portion of the carrying value of the delayed project.

Potential conflicts of interest: Several of the Company's directors are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. Such a conflict poses the risk that the Company may enter into a transaction on terms which could place the Company in a worse position than if no conflict existed. The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interest which they may have in any project or opportunity of the Company. However, each director has a similar obligation to other companies for which such director serves as an officer or director. The Company has no specific internal policy governing conflicts of interest.

Competition with larger, better capitalized competitors: The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, base and precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

The Company does not intend to pay dividends: The Company has not paid out any cash dividends to date and has no plans to do so in the immediate future. As a result, an investor's return on investment will be solely determined by his or her ability to sell common shares in the secondary market.

Title risk: Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Price risk: The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly gold. The prices of these metals, especially gold, greatly affect the value of the Company and the potential value of its property and investments.

Financial Markets: The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Political risk: Exploration is presently carried out in the Argentina and Chile and is currently being reviewed worldwide. This exposes the Company to risks that may not otherwise be experienced if all operations were domestic. Political risks may adversely affect the Company's potential projects and operations. Real and perceived political risk in some countries may also affect the Company's ability to finance exploration programs and attract joint venture partners, and future mine development opportunities.

Credit risk: Credit risk is the risk of an unexpected loss of a third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on cash, short-term investments, share purchase warrants and amounts receivable. The Company limits its exposure to credit loss by placing its cash and short-term investments with major financial institutions.

Liquidity risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company's cash is invested in bank accounts.

Interest risk: The Company's bank accounts do not earn interest income. Cash bears no interest and short-term investments mature one year from the date of purchase and are redeemable at any time without penalty, with interest paid after thirty days. The fair value of cash and short-term investments approximates their carrying values due to the immediate or short-term maturity of these financial instruments.

Currency risk: Business is transacted by the Company in a number of currencies. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction.

Community risk: The Company has negotiated with the local communities on its mineral property concessions for access to facilitate the completion of geological studies and exploration work programs. The Company's operations could be significantly disrupted or suspended by activities such as protests or blockades that may be undertaken by such certain groups or individuals within the community.

Environmental risk: The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission exempted Venture Issuers from the requirement to certify disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. The Company is a Venture Issuer; therefore it files the venture issuer basic certificates. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109 as at September 30, 2015.

Additional Information

Additional information relating to the Company, including news releases, financial statements and prior MD&A filings, is available on SEDAR at www.sedar.com.

The Company provides information packages to investors. These packages include materials filed with regulatory authorities. Additionally the Company attends investment/trade conferences and updates its website (www.goldenarrowresources.com) on a continuous basis.

**APPENDIX “O”
FAIRNESS OPINION**



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September 30, 2015

PRIVATE AND CONFIDENTIAL

The Board of Directors
Golden Arrow Resources Corporation
Terminal City Club Tower
Suite 709 - 837 West Hastings Street
Vancouver, BC V6C 3N6

To the Board of Directors:

Salman Partners Inc. (“**Salman Partners**”) understands that on September 30, 2015, Golden Arrow Resources Corporation (“**Golden Arrow**” or the “**Company**”) and its subsidiary Valle Del Cura S.A. (“**VDC**”) entered into a Business Combination Agreement (the “**Business Combination Agreement**”) with Silver Standard Resources Inc. (“**SSRI**”) and its subsidiary Mina Pirquitas, LLC (“**MPSA**”) pursuant to which Golden Arrow and VDC granted a right to SSRI and MPSA to evaluate Golden Arrow’s Chinchillas properties (“**Chinchillas Project**”) over an 18-month period (the “**Preliminary Period**”) during which time SSRI will retain the sole right to elect to commence a business combination that will see SSRI’s Pirquitas Mine and Golden Arrow’s Chinchillas Project combined into a 75% (SSRI) 25% (Golden Arrow) jointly owned mining business with SSRI assuming the responsibility of managing the combined business (the “**Transaction**”).

Salman Partners further understands that during the Preliminary Period:

- SSRI will pay Golden Arrow: (i) C\$0.5 million on signing of the Business Combination Agreement; (ii) C\$0.5 million within five business days after the shareholders of Golden Arrow approve the Transaction; (iii) C\$0.5 million within five business days after the earlier of the six month anniversary of the shareholder approval for the Transaction and the date of election to proceed with the business combination; and (vi) C\$0.5 million within five business days after the earlier of the twelve month anniversary of the shareholder approval for the transaction and the date of election to proceed with the business combination.
- SSRI will invest up to an estimated US\$12.6 million, with a minimum expenditure commitment of US\$4 million, at the Chinchillas Project to advance the project and evaluate the feasibility of developing a combined mining business with SSRI’s Pirquitas operation.
- SSRI will appoint Golden Arrow to assist in the pre-development activities and evaluation process and Golden Arrow shall be reimbursed for these services on a cost recovery basis.

Salman Partners further understands that, in the event that SSRI elect to proceed with the business combination:

- SSRI will make a retroactive payment to Golden Arrow that reflects 25 per cent. of the cash flow generated out of SSRI's Pirquitas operation from the date of the Business Combination Agreement (30 September 2015) until the date of closing of the business combination ("SSRI Closing Payment")
- The business combination will be completed by way of a statutory Plan of Arrangement ("the Arrangement") which will result in Golden Arrow shareholders, receiving a proportional ownership interest in a new company that will own: (i) 25% of a new mining business that will hold the Company's Chinchillas Project and SSRI's Pirquitas Mine and (ii) all of Golden Arrow's existing exploration assets (other than the Chinchillas Project).

The terms of the Transaction and other related matters are more fully described in a management information circular of the Company (the "**Circular**") to be mailed to shareholders of Golden Arrow ("**Shareholders**") in connection with the Transaction. Terms appearing in capitalized letters and not otherwise defined in this letter shall, as the context requires, have the respective meanings set forth in the Circular.

As more fully described below, the Board of Golden Arrow (the "**Board**") has engaged Salman Partners to provide an opinion (the "**Opinion**") as to the fairness, from a financial point of view, of the consideration offered by SSRI pursuant to the Transaction to Shareholders, other than SSRI.

Salman Partners was not asked to provide, nor did we provide, a formal valuation in respect of the issuance of Golden Arrow shares, and the Opinion should not be construed or relied upon as such. Salman Partners also understands that the Transaction is subject to approval of the Shareholders, being a majority of votes cast by Shareholders voting in favor of the Transaction.

SALMAN PARTNERS ENGAGEMENT AND BACKGROUND

Salman Partners was initially engaged by Golden Arrow and SSRI to prepare an analysis of the Chinchillas Project and the Pirquitas Mine and bring the parties together to a formal discussion on a business combination. On March 31, 2015, Salman Partners delivered its analysis to both Golden Arrow and SSRI which suggested the relative arbitration to a potential joint venture would be 75% SSRI and 25% Golden Arrow.

In June 2015, Salman Partners agreed to act exclusively for Golden Arrow and assist in the planning, structuring and execution of the proposed business combination and to support other business initiatives including the planning for the continuation of its business following completion of a business combination.

Under the terms of an engagement agreement (the "**Engagement Agreement**") dated September 24, 2015, Salman Partners will receive an ongoing monthly work fee and a fixed fee for the preparation of the Opinion, with no portion of either the monthly work fee or the fixed fee for the preparation of the Opinion being conditional upon the Opinion being favorable or contingent upon the successful completion of the Transaction. Additionally, Golden Arrow has agreed to reimburse Salman Partners for its reasonable out-of-pocket expenses and to indemnify Salman Partners in certain circumstances.

Subject to the terms of the Engagement Agreement, Salman Partners consents to the inclusion of the Opinion, with a summary thereof in a form acceptable to Salman Partners, in the Circular and the filing thereof with applicable securities regulatory authorities, including stock exchanges.

CREDENTIALS OF SALMAN PARTNERS

Salman Partners is an independent Canadian investment dealer whose business includes corporate finance, mergers and acquisitions, equity sales and trading and investment research.

The Opinion expressed herein represents the opinion of Salman Partners and the form and content

hereof has been reviewed and approved for release by a committee comprised of directors and officers of Salman Partners, each of whom has extensive experience in merger, acquisition, divestiture, valuation, fairness opinion and capital markets matters.

INDEPENDENCE OF SALMAN PARTNERS

Salman Partners is not an insider, associate or affiliate (as such terms are defined in the *Securities Act* (British Columbia) (the “Act”) or the rules promulgated thereunder) of Golden Arrow or SSRI, or any of their respective subsidiaries, associates or affiliates (collectively, the “Interested Parties”) and is not an advisor to any person or entity other than the Board with respect to the matters set forth herein.

Under the initial engagement with Golden Arrow and SSRI, pursuant to which Salman Partners agreed to prepare an analysis of the Chinchillas Project and the Pirquitas Mine and establish a relative arbitration to a potential joint venture, Salman Partners received a fixed fee payable in two installments with no portion of that fee being contingent upon the successful completion of the Transaction. At this time the parties also granted Salman Partners a right to participate in a private placement or public offering, with a position of not less than 15%, in any syndicate that raises equity or equity related funds for the joint venture. Salman Partners’ right to participate in a private placement or public offering will expire one year from and after the termination of the initial engagement agreement with Golden Arrow and SSRI. Other than as described in this letter, neither Salman Partners nor its affiliates has provided any financial advisory services or participated in any financings involving the Interested Parties within the past two years.

There are no other understandings, agreements or commitments between Salman Partners and any of the Interested Parties with respect to any future business dealings. Salman Partners may however, in the normal course of its business, provide financial advisory or investment banking services to the Interested Parties from time to time. In addition, in the ordinary course of business, Salman Partners may actively trade the securities of the Interested Parties for its own account and for the accounts of Salman Partners’ customers and accordingly has or may, at any time, hold a long or short position in such securities and has or may, from time to time, execute transactions in respect of such securities for which it has received or may receive compensation. As an investment dealer, Salman Partners conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Interested Parties.

SCOPE OF REVIEW

In connection with rendering our Opinion, we have considered, reviewed and relied upon, among other things, the following:

- draft copies of the Business Combination Agreement, Exploration Agreement and Shareholders Agreement;
- publicly available financial statements, management’s discussion and analysis, Management Information Circulars, Material Change Reports, Annual Information Forms, National Instrument 43-101 compliant technical reports, and other information of Golden Arrow and SSRI;
- certain internal financial, operational, corporate projections and other information concerning Golden Arrow, VDC, SSRI and MPSA, and their respective assets, liabilities business or operations, that were prepared or provided by or on behalf of the management of Golden Arrow;
- certain transaction discussion papers and correspondence prepared by SSRI and provided by or on behalf of the management team of Golden Arrow;
- certain transaction structuring plans and correspondence prepared by Pricewaterhouse Coopers LLP

and provided by or on behalf of the management team of Golden Arrow;

- selected public market trading statistics and relevant business and financial information of Golden Arrow, SSRI and other comparable publicly traded entities;
- relevant financial information and selected financial metrics with respect to precedent transactions deemed relevant by Salman Partners;
- written representations obtained from senior representatives of Golden Arrow as to matters of fact and the completeness and accuracy of the information considered by Salman Partners to be relevant which the Opinion is based; and
- such other corporate, industry and financial market information, investigations and analyses as Salman Partners considered necessary or appropriate in the circumstances.

Salman Partners has not, to the best of its knowledge, been denied access by Golden Arrow to any information requested. Salman Partners did not meet with the auditors of Golden Arrow and has assumed the accuracy and fair presentation of the audited consolidated financial statements of Golden Arrow and the reports of the auditors thereon.

PRIOR VALUATIONS

Management of Golden Arrow has represented to Salman Partners that, to the best of its knowledge there have not been any prior valuations (as defined in Multilateral Instrument 61-101) of the Company or any of its material assets or liabilities or securities within the two years preceding the date of the Opinion.

ASSUMPTIONS AND LIMITATIONS

With the approval of the Board and as provided in the Engagement Agreement, Salman Partners has relied, without independent verification, upon all financial and other information that was obtained by us from public sources or that was provided to us by Golden Arrow and their respective affiliates, associates, advisors or otherwise. We have assumed that this information was complete and accurate as of the date thereof and did not omit to state any material fact or any fact necessary to be stated to make that information not misleading. This Opinion is conditional upon such completeness and accuracy. In accordance with the terms of our engagement, but subject to the exercise of our professional judgment, we have not conducted any independent investigation to verify the completeness or accuracy of such information. With respect to the financial forecasts and budgets provided to us and used in our analysis, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of management of Golden Arrow as to the matters covered thereby. Senior representatives Golden Arrow have represented to us, in writing as of the date hereof, among other things, that the information, opinions and other materials (the “**Information**”) provided to us by or on behalf of Golden Arrow are complete and correct as of the date of the Information and that, since the date of the Information, except as publicly disclosed, there has been no material change, financial or otherwise, in the financial position of Golden Arrow, or in its assets, liabilities (contingent or otherwise), business or operations and there has been no change in any material fact which is of a nature as to render the Information untrue or misleading in any material respect except to the extent disclosed in subsequent Information.

This Opinion is based on the securities markets, economic, general business and financial conditions prevailing as of the date of this Opinion and the conditions and prospects, financial and otherwise, of Golden Arrow and SSRI’s Pirquitas Mine as they were reflected in the Information reviewed by Salman Partners and as they were represented to Salman Partners in discussions with the management of Golden Arrow. In its analysis and in preparing this Opinion, Salman Partners has made a number of assumptions with respect to industry performance, general business and economic conditions, and other

matters, any of which are beyond the control of Salman Partners, Golden Arrow, and any other party involved in connection with the Transaction. Salman Partners was not engaged to review any legal, tax or accounting aspects of the Arrangement and accordingly expresses no view thereon.

Salman Partners has also assumed that the final terms of the Transaction will be substantially the same as those described in the Business Combination Agreement. Finally, Salman Partners has assumed that all material governmental, regulatory or other required consents and approvals necessary for the consummation of the Transaction will be obtained without any meaningful adverse effect on Golden Arrow or the contemplated benefits of the Transaction.

This Opinion has been provided for the use of the Board, and if required, for inclusion in other related documents (or a summary thereof in a form acceptable to Salman Partners) and may not be used by any other person or relied upon by any other person without the express consent of Salman Partners, except as explicitly provided by law. This Opinion is given as of the date hereof and Salman Partners disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Opinion which may come or be brought to Salman Partners' attention after the date hereof. This Opinion is limited to Salman Partners' understanding of the Business Combination Agreement as of the date hereof and Salman Partners assumes no obligation to update this Opinion to take into account any changes regarding the Business Combination Agreement after the date hereof.

FAIRNESS CONCLUSION

Based upon and subject to the foregoing and such other matters as we consider relevant, Salman Partners is of the opinion that, as of September 30, 2015, the consideration offered under the Transaction is fair, from a financial point of view, to the Shareholders of Golden Arrow.

Yours truly,

A handwritten signature in blue ink that reads "Salman Partners Inc." in a cursive, flowing script.

Salman Partners Inc.

APPENDIX “P”
DIVISION 2 OF PART 8 OF THE BCBCA

Definitions and application

237 (1) In this Division:

“**dissenter**” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“**notice shares**” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“**payout value**” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (a) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder’s shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
 - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or
 - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company’s community purposes within the meaning of section 51.91;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;
- (h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
- (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
- (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
- (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1)(g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240(2) (b) or (3)(b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
- (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
- (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
- (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1)(a) or (b) of this section must

- (a) be dated not earlier than the date on which the notice is sent,
- (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

- (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
- (b) the certificates, if any, representing the notice shares, and
- (c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1)(c) must

- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
- (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

- (a) the dissenter is deemed to have sold to the company the notice shares, and
- (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
- (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and
- (c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must

- (a) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
- (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),

- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
- (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

- (a) the company is insolvent, or
- (b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244(4) or (5), 245(4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.