Golden Arrow Resources Corporation
(formerly 1049708 B.C. LTD.)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016
AND
FOR THE PERIOD ENDED SINCE INCORPORATION ON SEPTEMBER 22, 2015 TO DECEMBER 31, 2015

June 8, 2017

Independent Auditor's Report

To the Shareholder of Golden Arrow Resources Corporation (formerly 1049708 B.C. LTD.)

We have audited the accompanying financial statements of Golden Arrow Resource Corporation, which comprise the statement of financial position as at December 31, 2016 and December 31, 2015 and the statements of loss and comprehensive loss, cash flows and changes in equity for the year ended December 31, 2016 and for the period from September 22, 2015 to December 31, 2015, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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.

PricewaterhouseCoopers LLP
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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Golden Arrow Resource Corporation as at December 31, 2016 and December 31, 2015 and their financial performance and their cash flows for the year ended December 31, 2016 and for the period from September 22, 2015 to December 31, 2015 in accordance with International Financial Reporting Standards.

(signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

Golden Arrow Resources Corporation (formerly 1049708 B.C. LTD.)
Statement of Financial Position

(Expressed in Canadian Dollars)

	December 31, 2016 $	December 31, 2015 $
ASSETS		
Cash	1	1
Total Assets	1	1
EQUITY		
Share capital	1	1
Total Equity and Liabilities	1	1

Nature of operations (Note 1)
Subsequent events (Note 5)

These financial statements are authorized for issue by the Board of Directors on June 8, 2017. They are signed on the Company's behalf by:

"Joseph Grosso", Director

"David Terry", Director

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

Golden Arrow Resources Corporation (formerly 1049708 B.C. LTD.)
Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended December 31, 2016 $	Period since incorporation on September 22, 2015 to December 31, 2015 $
Expenses	-	-
Loss for the period	-	-
Comprehensive loss for the period	-	-
Basic and diluted loss per common share ($)	-	-

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

Golden Arrow Resources Corporation (formerly 1049708 B.C. LTD.)
Statement of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31, 2015	Period since incorporation on September 22, 2015 to December 31, 2015
	$	$
Cash flows from operating activities		
Loss for the year	-	-
	-	-
Net cash used in operating activities	-	-
Cash flows from investing activities		
Net cash generated by investing activities	-	-
Cash flows from financing activities		
Issuance of common shares	-	1
Net cash generated by financing activities	-	1
Net increase in cash and cash equivalents	-	1
Cash and cash equivalents at beginning of year	1	-
Cash and cash equivalents at end of year	1	1

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

Golden Arrow Resources Corporation (formerly 1049708 B.C. LTD.)
Statement of Changes in Equity

(Expressed in Canadian Dollars)

	Share Capital			
	Number of shares	Amount $	Deficit $	Total $
Balance at September 22, 2015	-	-	-	-
Issuance of common shares	1	1	-	1
Balance at December 31, 2015 and 2016	1	1	-	1

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

1. NATURE OF OPERATIONS

Golden Arrow Resources Corporation (formerly 1049708 B.C. LTD.) (the "Company") was incorporated on September 22, 2015, under the Business Corporations Act in the province of British Columbia. The head office address of the Company is Suite 312 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6. The registered office and records office of the Company is Suite 2600, Three Bentall Centre, PO Box 49314, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3.

The Company was incorporated to facilitate the restructuring required to be able to carry out the transaction described in Note 4. The intention is that the Company will be listed on the TSX Venture Exchange and will hold the investment in the JVCo referred to in Note 4 as well as the mineral property interests currently held by Golden Arrow Resources Corporation.

At December 31, 2016, the Company did not have enough cash on hand to meet its planned expenditures for the next twelve months. However, given the subsequent events described in Note 5, the Company believes that based on its current cash position and expected cash flows generated from the final payment from Silver Standard Resources Inc., it will have sufficient funds to meet its minimum obligations, including general corporate activities, for at least the next twelve months.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Basis of preparation

The Company's financial statements 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, 2016.

These statements were authorized for issue by the Board of Directors on June 8, 2017.

b) Basis of presentation

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Basis of consolidation

These financial statements include the accounts of the Company and its wholly-owned subsidiaries.

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

(i) Subsidiaries

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Investments in associate

Investments in associate and joint ventures are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss of the equity accounted for investees until the date on which significant influence or joint control ceases.

d) Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency").

(i) Functional and presentation currency

The functional and reporting currency of the Company is the Canadian dollar.

(ii) Transactions and balances

Transactions in currencies other than the Canadian dollar are translated into the functional currency 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. Foreign currency gains and losses resulting from the settlement of these transactions are recognized in the statement of loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

e) Financial Instruments

Upon initial recognition, all financial instruments including derivatives, are recognized on the statement of financial position at fair value. Subsequent measurement of financial assets is then based on the instruments being classified into one of the following categories: fair value though profit or loss, available-for-sale and loans and receivables.

(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).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(iv) 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.

f) Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation. Depreciation of an asset begins once it is available for use and is calculated using the straight-line method over the estimated useful lives as follows:

Geological equipment	2 years
Computer software	2 years
Vehicles	5 years
Leasehold improvements	Lease Term

g) 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.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or share consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company. The Company recognizes in income costs recovered on mineral property interests 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 discretion of the Company, and are recorded as mineral property acquisition costs upon payment.

h) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) 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. External factors such as changes in current and forecast metal prices, operating costs and other market factors are also monitored to assess for indications of impairment. 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 any 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.

j) 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.

k) 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.

l) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) 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.

(i) Current income tax

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.

(ii) Deferred tax

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 recognized 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 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.

(iii) Value added tax ("VAT")

VAT may be paid in countries where recoverability is uncertain. In these cases, VAT payments are included in exploration and evaluation expenditures. If the Company recovers the amounts that have been previously expensed, the recovery will be recognized in the statement of loss (income).

n) 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.

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 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:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Critical accounting judgments

– Presentation of the financial statements which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, complete the plan of arrangement described in Note 4, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

o) 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.

IFRS 16 – Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. CAPITAL AND RESERVES

Authorized Share Capital

At December 31, 2016, 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 2016 and 2015

On September 22, 2015, the Company issued one share for consideration of $1 to Golden Arrow Resources Corp.

4. PLAN OF ARRANGEMENT

On September 30, 2015, the Company entered into a business combination agreement (the “Agreement”) among the Company’s sole shareholder, Golden Arrow Resources Corporation (“Golden Arrow”), Silver Standard Resources Inc. (“Silver Standard”), Mina Pirquitas, LLC (“MP LLC”) and Valle Del Cura S.A. wherein the Company proposes, subject to, among other things, Silver Standard exercising an Election to Proceed (as defined in the Agreement), to give effect to a plan of arrangement (the “Arrangement”) pursuant to which each shareholder of Golden Arrow will receive one common share in the capital of the Company (a “New GAR Share”) in exchange for each common share of Golden Arrow (the “GAR Shares”) held. Pursuant to the Arrangement, the GAR Shares (and thereby Golden Arrow’s interest in the Chinchillas property, a mineral property located in the Jujuy province of Argentina) will be transferred to a joint venture company (“JVco”), which, subject to the terms of the Agreement, will initially be owned 75% by Silver Standard and 25% by the Company.

Under the terms of the Agreement, JVco shall also acquire from Silver Standard all of the issued and outstanding securities of MP LLC which indirectly holds title to the Pirquitas mine (also located in the Jujuy province of Argentina), with the effect that upon completion of the Arrangement, existing shareholders of Golden Arrow will, as holders of New GAR shares, have exposure through the Company’s 25% interest in JVCo to Silver Standard’s Pirquitas mine and Golden Arrow’s Chinchillas property.

In consideration for granting Silver Standard the rights to conduct an 18-month period of pre-development activities at Chinchillas (“the Preliminary Period”), Silver Standard paid Golden Arrow $2,000,000 on completion of certain milestones as detailed below:

Payment	Milestone
500,000	Signing of the transaction agreements
500,000	Receipt of shareholder approval
500,000	Six month anniversary of shareholder approval or date of election to proceed with the joint venture
500,000	Twelve month anniversary of shareholder approval or date of election to proceed with the joint venture
$2,000,000	

All of the payments were received by Golden Arrow during the Preliminary Period.

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 Arrangement.

See Subsequent Events Note 5 for further information.

5. SUBSEQUENT EVENTS

Business Combination with Pirquitas Mine

On March 31, 2017, Golden Arrow received notice from Silver Standard Resources Inc. to exercise its option on the Chinchillas project and form a joint venture to combine the Chinchillas project with the producing Pirquitas Mine into a single new operation. See Note 4 for further information.

On May 31, 2017, the Company closed the business combination agreement entered into on September 30, 2015 with, among others, Silver Standard Resources Inc. forming a joint venture and combining the Chinchillas project with the producing Pirquitas Mine into a single new operation. The joint venture will be 75% owned by Silver Standard and 25% owned by Golden Arrow. Silver Standard will be the operator. Upon closing of the agreement, the Company received CDN$17.5 million representing its 25% share of Pirquitas mine's cash equivalent earnings less certain expenditures incurred for the period October 1, 2015 until April 30, 2017. A final payment representing the period May 1, 2017 until May 31, 2017 shall be payable on or about June 21, 2017.

In accordance with the terms of the plan of arrangement, each shareholder of Golden Arrow received one common share in the capital of the Company (a “New GAR Share”) in exchange for each common share of Golden Arrow (the “GAR Shares”) held. On May 31, 2017, the Company changed its name to Golden Arrow Resources Corporation (formerly 1049708 B.C. Ltd.), trading on the TSX-V under the symbol “GRG”.