Golden Arrow Resources Corporation

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2017 AND 2016

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed interim financial statements

Golden Arrow Resources Corporation
Consolidated Interim Statement of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2017 $	December 31, 2016 $
ASSETS			
Current assets			
Cash and cash equivalents		18,333,050	8,732,161
Investments	6	306,844	601,853
Amounts receivable		255,223	78,542
Exploration funding receivable		-	1,022,853
Prepaid expenses		195,566	177,344
Total current assets		19,090,683	10,612,753
Non-current assets			
Equipment		92,490	31,289
Investment in POI	4	34,398,212	-
Mineral property interests	5	499,397	880,683
Total non-current assets		34,990,099	911,972
Total Assets		54,080,782	11,524,725
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		119,745	1,202,449
Total current liabilities		119,745	1,202,449
EQUITY			
Share capital	7	33,268,224	31,245,207
Reserves	7	18,336,056	17,611,650
Retained earnings (deficit)		2,356,757	(38,534,581)
Total equity		53,961,037	10,322,276
Total Equity and Liabilities		54,080,782	11,524,725

NATURE OF OPERATIONS (Note 1)
COMMITMENTS (Note 11)
SUBSEQUENT EVENTS (Note 14)

These financial statements are authorized for issue by the Board of Directors on November 29, 2017. They are signed on the Company's behalf by:

"Nikolaos Cacos" , Director

"*David Terry*" , Director

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

Golden Arrow Resources Corporation
Statement of Income (Loss) and Comprehensive Income (Loss)
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended September 30, 2017 $	Three months ended September 30, 2016 $	Nine months ended September 30, 2017 $	Nine months ended September 30, 2016 $
Expenses					
Administration and management services	8	330,500	166,300	905,800	546,900
Corporate development and investor relations		762,289	819,118	1,176,251	1,435,413
Depreciation		2,531	-	3,875	-
Exploration		1,562,762	2,183,987	2,605,245	7,481,475
Exploration and other costs recovery		(58,897)	(2,005,015)	(93,073)	(6,471,086)
Office and sundry	8	114,467	44,591	184,873	162,277
Professional fees	8	235,445	110,850	786,771	212,304
Rent, parking and storage	8	63,307	23,564	97,121	73,554
Salaries and employee benefits	8	286,055	134,120	1,230,796	389,786
Share-based compensation	8	72,837	219,742	1,287,615	759,177
Transfer agent and regulatory fees		16,062	63,337	22,333	103,990
Travel and accommodation		58,267	34,585	136,182	65,961
Loss from operating activities		(3,445,625)	(1,795,179)	(8,343,789)	(4,759,751)
Finance expense		-	-	-	(30,000)
Foreign exchange (loss) gain		20,760	(574,272)	(729,116)	(60,531)
Gain on business combination	3	-	-	48,817,491	-
Gain on sale of marketable securities		133,255	-	133,255	370
Interest expense		(33,386)	-	-	(28,595)
Interest income		80,302	5,890	80,302	6,638
Income from POI	4	1,146,925	-	933,195	-
Income (loss) for the period		(2,097,769)	(2,363,561)	40,891,338	(4,871,869)
Other comprehensive loss					
Items that may be reclassified to profit or loss					
Unrealized (loss)/gain on available-for-sale marketable securities		6,403	32,723	(46,970)	31,953
Other comprehensive (loss) income for the period		6,403	32,723	(46,970)	31,953
Comprehensive income (loss) for the period		(2,091,366)	(2,330,838)	40,844,368	(4,839,916)
Basic earnings (loss) per common share ($)	9	(0.02)	(0.03)	0.42	(0.07)
Diluted earnings (loss) per common share ($)	9	(0.02)	(0.03)	0.37	(0.07)

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

Golden Arrow Resources Corporation
Statement of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Nine months ended September 30,	
	2017	2016
	$	$
Cash flows from operating activities		
Income (loss) for the period	40,891,338	(4,871,869)
Adjustments for:		
Depreciation	3,875	-
Depreciation of property and equipment included in exploration expenses	-	7,184
Gain on business combination	(48,817,491)	-
Gain on sale of marketable securities	(133,255)	(22,018)
Income from POI	(933,195)	-
Share-based compensation	1,287,615	759,177
	(7,701,113)	(4,127,526)
Change in non-cash working capital items:		
(Increase) decrease in amounts receivable	(497,946)	(205,777)
Decrease in exploration funding receivable	1,022,853	2,026,044
(Increase) in prepaid expenses	(18,222)	(13,671)
(Decrease) in interest payable	-	(31,962)
(Decrease) in accounts payable and accrued liabilities	(1,082,704)	(2,071,129)
Net cash used in operating activities	(8,277,132)	(4,424,021)
Cash flows from investing activities		
Expenditures on mineral property interests	(273,951)	(298,764)
Expenditures on equipment	(65,076)	-
Investments in POI	(1,481,781)	-
Purchases of marketable securities, net of transaction costs	-	(570,989)
Pirquitas payment proceeds	17,810,756	-
Disposal of marketable securities, net of transaction costs	381,296	1,559,633
Net cash generated by investing activities	16,371,244	689,880
Cash flows from financing activities		
Issuance of common shares and warrants	-	9,190,700
Share issue costs	-	(462,401)
Warrants exercised	1,241,727	2,330,883
Agent warrants exercised	-	57,188
Stock options exercised	265,050	1,292,150
Loan repaid	-	(868,040)
Net cash generated by financing activities	1,506,777	11,540,480
Net increase in cash and cash equivalents	9,600,889	7,806,339
Cash and cash equivalents at beginning of period	8,732,161	1,012,725
Cash and cash equivalents at end of period	18,333,050	8,819,064

SUPPLEMENTARY CASH FLOW INFORMATION (Note 12)

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

Golden Arrow Resources Corporation
Statement of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves						
	Number of shares	Amount $	Commitment to issue shares $	Contributed surplus $	Equity settled share-based payments $	Warrants $	Accumulated other comprehensive income (loss) $	Retained earnings (deficit) $	Total $
Balance at December 31, 2015	55,836,767	16,362,415	2,929,471	14,153,125	871,792	487,245	(11,934)	(32,652,337)	2,139,777
Private placements	20,488,000	7,777,836	(1,050,000)	-	-	2,462,864	-	-	9,190,700
Share issue costs	247,744	(1,004,089)	-	-	-	-	-	-	(1,004,089)
Agent warrants granted	-	-	-	-	-	448,398	-	-	448,398
Warrants exercised	9,061,777	2,937,838	-	-	-	(606,955)	-	-	2,330,883
Agent warrants exercised	214,160	106,205	-	-	-	(49,017)	-	-	57,188
Agent warrants expired	-	-	-	498	-	(498)	-	-	-
Shares issued for drilling services	1,117,900	1,879,471	(1,879,471)	-	-	-	-	-	-
Stock options exercised	3,690,000	1,827,599	-	-	(535,449)	-	-	-	1,292,150
Stock options expired	-	-	-	8,513	(8,513)	-	-	-	-
Share-based compensation	-	-	-	-	759,177	-	-	-	759,177
Total comprehensive (loss) for the period	-	-	-	-	-	-	31,953	(4,871,869)	(4,839,916)
Balance at September 30, 2016	90,656,348	29,887,275	-	14,162,136	1,087,007	2,742,037	20,019	(37,524,206)	10,374,268
Share issue costs	39,840	93,290	-	-	-	-	-	-	93,290
Warrants exercised	2,114,962	866,527	-	-	-	(227,538)	-	-	638,989
Agent warrants exercised	200,764	155,012	-	-	-	(94,783)	-	-	60,229
Stock options exercised	312,500	243,103	-	-	(143,103)	-	-	-	100,000
Share-based compensation	-	-	-	-	(6,572)	-	-	-	(6,572)
Total comprehensive (loss) for the period	-	-	-	-	-	-	72,447	(1,010,375)	(937,928)
Balance at December 31, 2016	93,324,414	31,245,207	-	14,162,136	937,332	2,419,716	92,466	(38,534,581)	10,322,276
Warrants exercised	4,128,720	1,587,652	-	-	-	(345,925)	-	-	1,241,727
Stock options exercised	757,500	435,365	-	-	(170,315)	-	-	-	265,050
Stock options cancelled/expired	-	-		99,820	(99,820)	-	-	-	-
Share-based compensation	-	-	-	-	1,287,616	-	-	-	1,287,616
Total comprehensive income (loss) for the period	-	-	-	-	-	-	(46,970)	40,891,338	40,844,368
Balance at September 30, 2017	98,210,634	33,268,224	-	14,261,956	1,954,813	2,073,791	45,496	2,356,757	53,961,037

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

1. NATURE OF OPERATIONS

Golden Arrow Resources Corporation (the "Company") was incorporated on September 22, 2015, under the Business Corporations Act in the province of British Columbia. The address of the Company's registered office is Suite 312 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6.

The Company was incorporated to facilitate the restructuring required to be able to carry out the transaction described in Note 3. On May 31, 2017, the then sole shareholder of the Company, Golden Arrow ("GAR"), closed the agreement entered into on September 30, 2015 with, among others, SSR Mining Inc., forming a joint venture combining the Chinchillas project with the producing Pirquitas Mine into a new operation, Puna Operations Inc. ("POI"). Upon closing of the agreement, the Company acquired a 25% interest in POI and in accordance with the terms of the plan of arrangement, each shareholder of GAR received one common share in the capital of the Company (a "New GAR Share") in exchange for each common share of GAR (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".

The Company is a natural resource company engaged in the acquisition, exploration and development of resource properties in Argentina. The Company's mineral property interests presently have no proven or probable reserves other than within the Investment in POI and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for mineral property interests are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production.

At September 30, 2017, the Company had working capital of $18,970,938 consisting primarily of cash and cash equivalents and has retained earnings of $2,356,757. Although the Company presently has sufficient financial resources to meet its minimum obligations, including general corporate activities and planned development expenditures, for at least the next twelve months, the Company expects to require further funding in the longer term to fund its share of planned capital expenditures for its investment in POI to bring the Chinchillas project to the production stage. Management's plan in this regard is to raise additional funding as required.

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

These condensed consolidated interim 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'.

These condensed consolidated interim 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 financial statements for the year ended December 31, 2016, 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 condensed interim financial statements are the same as those applied in the most recent annual financial statements and were consistently applied to all the periods presented unless otherwise noted.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on a continuity of interest basis once the plan of arrangement referred to in Note 3 occurred. The plan of arrangement has been determined to be a capital reorganization and is excluded from the scope of IFRS 3 – Business Combinations.

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 financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Basis of consolidation

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

	Place of Incorporation	Principal Activity
IMPSA Resources Corporation	BC, Canada	Holding company
New Golden Explorations Inc.	BC, Canada	Holding company
Desarrollo de Recursos S.A.	Argentina	Exploration company

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.

(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) Significant Accounting Estimates and Judgments

The preparation of these condensed consolidated interim 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

These condensed consolidated interim 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:

(i) Critical accounting estimates

– 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.

(ii) Critical accounting judgments

– 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.

– 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.

– 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.

– The Company accounts for its investment in associate on an equity method basis and, at each period end, management is required to make an assessment as to whether there are indicators of impairment that would require the Company to test the investment for impairment. If indicators of impairment exist, the Company would be required to determine the net recoverable amount which is based on expected cash flows to be earned from the investment or fair value of the investment less cost to sell.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

– 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.

e) 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. PLAN OF ARRANGEMENT

On September 30, 2015, the Company entered into an agreement (the “Agreement”) among the Company’s sole shareholder, GAR, SSR Mining Inc. (“SSR”), Mina Pirquitas, LLC (“MP LLC”) and Valle Del Cura S.A. wherein, subject to, among other things, should SSR exercise 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 GAR would receive one common share in the capital of the Company (a “New GAR Share”) in exchange for each common share of GAR (the “GAR Shares”) held. Pursuant to the Arrangement, the GAR Shares (and thereby GAR’s interest in the Chinchillas property, a mineral property located in the Jujuy province of Argentina) would be transferred to POI, which, subject to the terms of the Agreement, will initially be owned 75% by SSR and 25% by the Company.

Under the terms of the Agreement, POI acquires from SSR 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, the then existing shareholders of GAR, as holders of the Company’s shares, have exposure through the Company’s 25% interest in POI to SSR’s Pirquitas mine and Golden Arrow’s Chinchillas property.

In consideration for granting SSR the rights to conduct an 18-month period of pre-development activities at Chinchillas (“the Preliminary Period”), SSR paid GAR $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 GAR during the Preliminary Period.

Upon vesting by SSR, the Agreement specified that 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 as based on a pre-defined formula (the “Pirquitas Payment”), was payable on closing of the Arrangement.

On May 31, 2017, the Company closed the agreement as outlined above. Upon closing of the agreement, the Company received $17.5 million for the Pirquitas Payment for the period October 1, 2015 until April 30, 2017 and recognized at June 30, 2017, a receivable of $320,400, as a final Pirquitas Payment representing the period May 1, 2017 until May 31, 2017.

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. PLAN OF ARRANGEMENT (continued)

The total purchase price was allocated to the carrying value of the net assets disposed of pursuant to the plan of arrangement. The Company recognized a gain upon business combination of its investment in POI as follows:

		May 31, 2017
Pirquitas payment	$	17,810,756
Fair value of investment in POI		31,983,236
Total Consideration	$	49,793,992
Assets		
Cash		306,873
Accounts receivable		67,660
Prepaid expenses		3,951
Mineral property interest		655,236
Total Assets	$	1,033,720
Liabilities		
Accounts payable and accrued liabilities		57,219
Total Liabilities	$	57,219
Carrying value of net assets		976,501
Gain on business combination		48,817,491
Total	$	49,793,992

4. INVESTMENT IN PUNA OPERATIONS JOINT VENTURE

On March 31, 2017, SSR Mining Inc. (“SSR”) exercised its option on the Chinchillas project and on May 31, 2017, the Company formed POI for the development of the property. The jointly owned company, holding the Pirquitas and Chinchillas properties is owned 75% by SSR and 25% by the Company with SSR as the operator.

The following is summarized financial information for POI based on its unaudited financial statements as at May 31, 2017:

		May 31, 2017
Current assets	$	97,728,114
Non-current assets		155,285,282
Current liabilities		(39,895,147)
Non-current liabilities		(85,185,303)
Net assets	$	127,932,946

The Company accounts for its interest in POI using the equity method. At May 31, 2017, the Company recognized an investment in POI of $31,983,236 representing the fair value of the Company’s 25% interest.

The following table summarizes the change in investment in POI for the four-month period ended September 30, 2017:

Balance, May 31, 2017	$	31,983,236
Funds advanced to POI		1,481,781
Company’s share of comprehensive income of POI		933,195
Balance, September 30, 2017	$	34,398,212

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. INVESTMENT IN PUNA OPERATIONS JOINT VENTURE (continued)

The following is summarized financial information for POI, based on its unaudited financial statements as at September 30, 2017:

		September 30, 2017
Current assets	$	97,185,787
Non-current assets		137,931,820
Current liabilities		(35,017,696)
Non-current liabilities		(72,491,801)
Net assets	$	127,608,110
Comprehensive income for the period	$	3,732,780

		September 30, 2017
Company's interest in net assets of POI	$	31,902,028
Foreign exchange translation		1,562,989
Company's share of comprehensive income of POI		933,195
Carrying amount of interest in POI at September 30, 2017	$	34,398,212

5. MINERAL PROPERTY INTERESTS

The schedules below summarize the carrying costs of acquisition costs incurred to date for each mineral property interest that the Company is continuing to explore as at September 30, 2017:

Acquisition Costs

	Argentina					
	Antofalla $	**La Rioja $**	**Caballos $**	**Pescado $**	**Other $**	**Total $**
Balance – December 31, 2016	86,083	29,239	49,616	39,291	100,725	304,954
Additions						
Staking costs, land payments and acquisition costs	166,921	5,697	-	2,250	19,575	194,443
Balance – September 30, 2017	253,004	34,936	49,616	41,541	120,300	499,397

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina					
	Antofalla $	**La Rioja $**	**Caballos $**	**Pescado $**	**Other $**	**Total $**
Cumulative exploration expenses December 31, 2016	64,951	1,611,471	326,549	846,944	1,196,744	4,046,659
Expenditures during the period						
Assays	51,340	-	-	243	-	51,583
Environmental studies	16,937			850	2,662	20,449
Geophysics and metallurgy	74,344	-	-	-	-	74,344
Office	138,745	-	-	-	59	138,804
Property maintenance payments	1,104	-	-	4	19,576	20,684
Salaries and contractors	528,908	-	-	26,864	7,351	563,123
Social and community	40,756	-	-	11	-	40,767
Supplies and equipment	164,606	-	-	4,763	571	169,940
Transportation	112,994	-	-	4,845	394	118,233
Value added taxes	118,531	-	-	3,625	4,568	126,724
	1,248,265	-	-	41,205	35,181	1,324,651
Cumulative exploration expenses September 30, 2017	1,313,216	1,611,471	326,549	888,149	1,231,925	5,371,310

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 September 30, 2016:

Acquisition Costs

	Argentina						
	Antofalla $	**La Rioja $**	**Caballos $**	**Chinchillas $**	**Pescado $**	**Other $**	**Total $**
Balance – December 31, 2015	-	14,853	2,431	1,586,005	33,076	100,725	1,737,090
Additions							
Staking costs, land payments and acquisition costs	74,371	8,160	29,871	104,501	5,129	76,732	298,764
Option payment proceeds	-	-	-	(517,058)	-	-	(517,058)
Balance – September 30, 2016	74,371	23,013	32,302	1,173,448	38,205	177,457	1,518,796

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina						
	Antofalla $	**La Rioja** $	**Chinchillas** $	**Caballos** $	**Pescado** $	**Other** $	**Total** $
Cumulative exploration expenses December 31, 2015	-	1,606,998	21,801,184	317,952	844,344	890,959	25,461,437
Expenditures during the period							
Assays	-	-	465,007	-	-	655	465,662
Drilling	-	-	3,347,606	-	-	-	3,347,606
Environmental reports	-	-	5,279	-	-	-	5,279
Geophysics and metallurgy	-	-	15,477	-	-	-	15,477
Office	911	-	537,296	-	-	42,440	580,647
Property maintenance payments	732	1,811	11,855	-	1,198	3,550	19,146
Resource model and project development	-	-	99,756	-	-	-	99,756
Salaries and contractors	2,541	-	1,127,135	-	-	35,921	1,165,597
Social and community	-	-	80,367	-	-	485	80,852
Supplies and equipment	-	-	502,016	385	-	363	502,764
Transportation	-	-	106,514	276	-	2,862	109,652
Value added taxes	13,856	1,759	1,038,168	5,386	1,116	28,752	1,089,337
	18,040	3,570	7,336,476	6,047	2,314	115,028	7,481,475
Cumulative exploration expenses September 30, 2016	18,040	1,610,568	29,137,660	323,999	846,658	1,005,987	32,942,912

(a) Antofalla, Catamarca, Argentina

The Company entered into an option agreement to acquire a 100% interest in the Antofalla project in Catamarca Province, Argentina. The terms of the option agreement include staged payments over five years totaling US$1,500,000 for a 100% interest in the property. The vendor would retain a 1% net smelter royalty.

Option Payment USD $	Year
100,000 (paid)	2017
200,000	2018
350,000	2019
400,000	2020
450,000	2021
1,500,000	

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

(b) Varitas, La Rioja, Argentina

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

(c) 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.

(d) Caballos, La Rioja, Argentina

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

(e) Pescado, San Juan, Argentina

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

6. INVESTMENTS

At September 30, 2017, the Company held the following:

	Quantity	Amount
Argentina Lithium & Energy Corp. common shares ("Argentina Lithium")	76,996	$10,009
Pretium Resources Inc. common shares ("Pretium")	25,700	$296,835
		$306,844

The Company has designated its marketable securities in Argentina Lithium and Pretium as available-for-sale financial assets and accordingly, changes in fair value are recorded in other comprehensive income in the period in which they occur. An unrealized loss of $46,970 was recorded for the nine months ended September 30, 2017 (nine months ended September 30, 2016 – unrealized gain of $31,953).

7. CAPITAL AND RESERVES

Authorized Share Capital

At September 30, 2017, 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 2017

On May 31, 2017, the Company issued 98,106,935 common shares in accordance with the terms of the plan of arrangement referred to in Note 3, whereby each shareholder of GAR received one common share in the capital of the Company (a "New GAR Share") in exchange for each common share of GAR (the "GAR Shares") held.

4,128,720 warrants and 757,500 stock options were exercised during the nine months ended September 30, 2017.

7. CAPITAL AND RESERVES (continued)

Details of Issues of Common Shares in 2016

On February 17, 2016, the Company completed a non-brokered private placement financing of 2,918,000 units at a price of $0.40 per unit for gross proceeds of $1,167,200. Each unit consists 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 $0.30 per share for one year from the date of issue of the warrant. Finders' fees were $10,500 in cash and 39,000 in common shares at a price of $0.25 per share. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 0.48%; expected stock price volatility – 93.86%; dividend yield of 0%; and expected warrant life of 1.00 years.

On May 19, 2016, the Company completed a non-brokered private placement financing of 8,550,000 units at a price of $0.27 per unit for gross proceeds of $2,308,500. Each unit consists of one common share and one transferable warrant. 7,635,780 warrants entitle the holders thereof to purchase one additional common share in the capital of the Company at a price of $0.30 per share for two years from the date of issue. 914,220 warrants entitle the holders thereof to purchase one additional common share in the capital of the Company at a price of $0.33 per share for two years from the date of issue. Finders' fees were $48,311 in cash, 162,264 common shares at a price of $0.30 per share, and 341,566 warrants exercisable into common shares at a price of $0.30 per share for two years. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 0.56%; expected stock price volatility – 93.45%; dividend yield of 0%; and expected warrant life of 1.45 years.

On July 29, 2016, the Company completed a non-brokered private placement financing of 9,020,000 units at a price of $0.75 per unit for gross proceeds of $6,765,000. Each unit consists of one common share and one-half transferable warrant. 4,509,996 warrants entitle the holders thereof to purchase one additional common share in the capital of the Company at a price of $1.00 per share for eighteen months from the date of issue. The Company is entitled to accelerate the expiry date of the warrants if the 10-day volume weighted average stock price of the Company trades $1.40 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 $403,589 in cash, 86,320 common shares at a price of $0.75 per share, and 478,179 warrants, subject to the same accelerated expiry conditions, exercisable into common shares at a price of $1.00 per share for eighteen months. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 0.54%; expected stock price volatility – 97.89%; dividend yield of 0%; and expected warrant life of 1.32 years.

On September 27, 2016, pursuant to the terms of a shares for services agreement (the "Agreement"), the Company obtained TSX Venture Exchange approval to issue 1,117,900 common shares of the Company as payment for completion for certain drilling services.

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.

(Expressed in Canadian Dollars Unless Otherwise Noted)

7. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the nine months ended September 30, 2017 is as follows:

Expiry date	Exercise Price	December 31, 2016	Granted	Exercised	Cancelled/ Expired	September 30, 2017	Options exercisable
June 24, 2017	$0.30	50,000	-	-	(50,000)	-	-
November 29, 2017	$0.32	50,000	-	-	-	50,000	50,000
April 18, 2018	$0.32	87,500		(87,500)	-	-	-
May 9, 2018	$0.51	35,000	-	-	-	35,000	35,000
May 12, 2018	$0.68	150,000	-	-	-	150,000	150,000
March 25, 2019	$0.35	955,000	-	(230,000)	-	725,000	725,000
April 16, 2019	$0.35	55,000	-	-	-	55,000	55,000
March 9, 2020	$0.66	-	250,000	-	(250,000)	-	-
June 11, 2020	$0.35	1,545,000	-	(275,000)	-	1,270,000	1,270,000
April 19, 2021	$0.32	1,095,000	-	(90,000)	-	1,005,000	1,005,000
April 24, 2021	$0.42	470,000	-	(75,000)	-	395,000	395,000
May 29, 2021	$0.62	15,000	-	-	-	15,000	15,000
June 22, 2022	$0.62	-	3,570,000	-	-	3,570,000	3,570,000
		4,507,500	3,820,000	(757,500)	(300,000)	7,270,000	7,270,000
Weighted average exercise price $		0.36	0.62	0.35	0.66	0.49	0.49
Weighted average contractual remaining life (years)		3.29	4.83	-	-	3.66	3.66

The continuity of share purchase options for the nine months ended September 30, 2016 is as follows:

Expiry date	Exercise Price	December 31, 2015	Granted	Exercised	Expired/ Forfeited	September, 2016	Options exercisable
June 24, 2017	$0.30	50,000	-	-	-	50,000	50,000
November 25, 2017	$0.32	200,000	-	(200,000)	-	-	-
November 29, 2017	$0.32	200,000	-	(150,000)	-	50,000	50,000
May 28, 2018	$0.35	200,000	-	(200,000)	-	-	-
March 25, 2019	$0.35	2,505,000	-	(1,550,000)	-	955,000	955,000
April 16, 2019	$0.35	380,000	-	(325,000)	-	55,000	55,000
April 30, 2019	$0.35	20,000	-	(20,000)	-	-	-
June 11, 2020	$0.35	2,595,000	-	(1,000,000)	(50,000)	1,545,000	1,545,000
April 19, 2021	$0.32	-	1,550,000	(55,000)	-	1,495,000	1,300,000
April 24, 2021	$0.42	-	660,000	(190,000)	-	470,000	470,000
May 9, 2018	$0.51	-	35,000	-	-	35,000	17,500
May 18, 2018	$0.62	-	150,000	-	-	150,000	150,000
May 29, 2021	$0.68	-	15,000	-	-	15,000	15,000
		6,150,000	2,410,000	(3,690,000)	(50,000)	4,820,000	4,607,500
Weighted average exercise price $		0.35	0.37	0.35	0.35	0.36	0.36
Weighted average contractual remaining life (years)		3.62	4.33	-	-	3.79	3.63

(Expressed in Canadian Dollars Unless Otherwise Noted)

7. CAPITAL AND RESERVES (continued)

Warrants

The continuity of warrants for the nine months ended September 30, 2017 is as follows:

Expiry date	Exercise Price	December 31, 2016	Issued	Exercised	Expired/ Forfeited	September 30, 2017
February 16, 2017	$0.30	2,918,000	-	(2,918,000)	-	-
January 28, 2018	$1.00	4,988,175	-	-	-	4,988,175
May 15, 2018	$0.30	4,545,883	-	(1,107,020)	-	3,438,863
May 15, 2018	$0.33	704,220	-	(103,700)	-	600,520
		13,156,278	-	(4,128,720)	-	9,027,558
Weighted average exercise price $		0.57	-	0.30	-	0.69

The continuity of warrants for the nine months ended September 30, 2016 is as follows:

Expiry date	Exercise Price	December 31, 2015	Issued	Exercised	Expired/ Forfeited	September 30, 2016
December 18, 2016	$0.25	5,213,200	-	(5,213,000)	-	-
January 15, 2017	$0.25	2,641,400	-	(2,637,000)	(4,400)	-
February 17, 2017	$0.30	-	2,918,000	-	-	2,918,000
February 22, 2017	$0.26	100,000	-	(100,000)	-	-
January 28, 2018	$1.00	-	4,988,175	-	-	4,988,175
May 19, 2018	$0.30	-	7,977,346	(1,265,737)	-	6,711,609
May 19, 2018	$0.33	-	914,220	(60,000)	-	854,220
		7,954,600	16,797,741	(9,275,937)	(4,400)	15,472,004
Weighted average exercise price $		0.25	0.51	0.26	0.25	0.53

8. RELATED PARTY BALANCES AND TRANSACTIONS

On June 1, 2017, 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 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.

(Expressed in Canadian Dollars Unless Otherwise Noted)

8. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

	Nine months ended September 30,	
	2017	2016
Transactions	$	$
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	512,000	444,000
Rent, parking & storage	-	9,000
Office & sundry	89,300	93,000
Total for services rendered	601,300	546,000

	Three months ended September 30,	
	2017	2016
Transactions	$	$
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	141,000	132,000
Office & sundry	22,500	18,000
Total for services rendered	163,500	150,000

Key management personnel compensation

Key management personnel of the company are members of the Board of Directors, as well as the Executive Chairman, President and CEO, CFO and Corporate Secretary and Vice President of Corporate Development.

		Nine months ended September 30,	
		2017	2016
Transactions		$	$
Consulting, salaries, and professional fees to key management or their consulting corporations:			
Joseph Grosso	Chairman/President/CEO	543,750	93,750
Darren Urquhart	CFO/Corporate Secretary	115,000	45,000
Nikolaos Cacos	Director/VP – Corp.	380,000	90,000
Louis Salley	Director	9,000	37,536
David Terry	Director	11,050	12,900
John Gammon	Director	9,000	13,000
Taylor Thoen	Director	44,800	-
Alfred Hills	Director	20,550	-
Argentina Lithium & Energy Corp.(1)	Other	170,751	-
Blue Sky Uranium Corp.(1)	Other	139,546	-
Total for services rendered		1,443,447	292,186

(1) A company related through common directors that is charged reimbursement for shared office costs and overhead.

(Expressed in Canadian Dollars Unless Otherwise Noted)

8. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

		Three months ended September	
Transactions		2017 $	2016 $
Consulting, salaries, and professional fees to key management or their consulting corporations:			
Joseph Grosso	Chairman/President/CEO	31,250	31,250
Darren Urquhart	CFO/Corporate Secretary	15,000	15,000
Nikolaos Cacos	Director/VP – Corp.	30,000	30,000
Louis Salley	Director	3,068	4,105
David Terry	Director	4,900	4,300
John Gammon	Director	3,068	4,105
Taylor Thoen	Director	3,000	-
Alfred Hills	Director	18,050	-
Argentina Lithium & Energy Corp.(1)	Other	43,871	-
Blue Sky Uranium Corp.(1)	Other	37,433	-
Total for services rendered		189,640	88,760

(1) A company related through common directors that is charged reimbursement for shared office costs and overhead.

		Nine months ended September 30,	
Transactions		2017 $	2016 $
Share-based compensation to key management or their consulting corporations:			
Joseph Grosso	Chairman/President/CEO	265,940	88,018
Darren Urquhart	CFO/Corporate Secretary	24,932	19,385
Nikolaos Cacos	Director/VP – Corp.	132,970	41,776
Louis Salley	Director	66,485	5,222
David Terry	Director	33,243	37,598
John Gammon	Director	33,243	41,776
Taylor Thoen	Director	16,621	-
Total share-based compensation to key management		573,434	233,775

9. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic earnings per share for the three and nine months ended September 30, 2017 and 2016 was based on the following:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Earnings (loss) attributable to common shareholders ($)	(2,097,769)	(2,363,561)	40,891,338	(4,871,869)
Weighted average number of common shares outstanding	104,901,782	79,722,382	97,225,945	70,288,532

(Expressed in Canadian Dollars Unless Otherwise Noted)

9. BASIC AND DILUTED EARNINGS PER SHARE (continued)

The calculation of diluted earnings per share for the three and nine months ended September 30, 2017 and 2016 was based on the following:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Earnings (loss) attributable to common shareholders ($)	(2,097,769)	(2,363,561)	40,891,338	(4,871,869)
Weighted average number of common shares outstanding	117,965,971	79,722,382	110,290,134	70,288,532

For the nine months ended September 30, 2017, diluted earnings per share did include the effect of 4,976,756 (2016 – 4,820,000) share purchase options and 8,087,430 (2016 – 15,472,004) common share purchase warrants. For the nine months ended September 30, 2016 and the three months ended September 30, 2017 and 2016, diluted earnings per share did not include the include the effect of 4,976,756 (2016 – 4,820,000) share purchase options and 8,087,430 (2016 – 15,472,004) common share purchase warrants as the effect would be antidilutive.

10. SEGMENTED INFORMATION

The Company has no reportable segment revenues or operating revenues for the nine months ended September 30, 2017. The Company's total non-current assets are segmented geographically as follows:

	Argentina	
	September 30, 2017	December 31, 2016
Investment in Puna Operations Inc. ($)	34,398,212	-
Mineral property interests ($)	499,397	880,683
Equipment ($)	92,490	31,289
	34,990,099	911,972

11. COMMITMENTS

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Management Services Agreement (i)	150,000	600,000	-	-	-
Office Leases (ii)	36,648	150,476	150,829	-	-

(i) Management Services Agreement

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 $50,000 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

(Expressed in Canadian Dollars Unless Otherwise Noted)

11. COMMITMENTS (continued)

(ii) Office Leases

The Company entered into office lease agreements for terms of two and three years. The Company has the option to renew the leases at the time of expiry for additional terms of three and four years.

12. SUPPLEMENTARY CASH FLOW INFORMATION

	Nine months ended September 30, 2017 $	Nine months ended September 30, 2016 $
Non-cash investing and financing activities:		
Stock options exercised	170,315	-
Warrants exercised	345,925	-
Marketable securities received for option payment	-	517,058
Shares issued for finder's fees	-	93,290
Agent warrants granted	-	448,398

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 assets 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, 2017 the Company's financial instruments measured at fair value are as follows:

	Carrying amount September 30, 2017	Level 1 $	Level 2 $	Level 3 $
		Fair value September 30, 2017		
Recurring measurements				
Financial Assets				
Investments	306,844	306,844	-	-

(Expressed in Canadian Dollars Unless Otherwise Noted)

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

At December 31, 2016 the Company's financial instruments measured at fair value are as follows:

	Carrying amount December 31, 2016	Level 1 $	Level 2 $	Level 3 $
		Fair value December 31, 2016		
Recurring measurements				
Financial Assets				
Investments	61,853	61,853	-	-

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, amounts receivable and exploration funding receivable. The majority of the Company's receivables result from the Company's share of Pirquitas Mine earnings upon closing of the business combination referred to in Note 3 and are with a reputable mining company in good standing.

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 $119,745 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

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, 2017 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 $1,050,446.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $8,230.

(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.

14. SUBSEQUENT EVENTS

Stock Options Exercised

- 50,000 stock options with an exercise price of $0.32 per stock option were exercised.

Warrants Exercised

- 132,500 warrants with an exercise price of $0.30 per warrant were exercised.