Golden Arrow Resources Corporation

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
MARCH 31, 2013 AND 2012

(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 consolidated interim financial statements they must be accompanied by a notice indicating that these condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2013 $	December 31, 2012 $
ASSETS			
Non-current assets			
Property and equipment	3	120,937	103,589
Mineral property interests	4	1,212,616	1,182,812
Other receivable		168	-
Total non-current assets		1,333,721	1,286,401
Current assets			
Prepaid expenses		114,248	73,024
Investments	5	1,261,550	1,261,550
Amounts receivable		79,780	88,277
Interest receivable		31,736	22,293
Short-term investments	7	9,500,000	11,550,000
Cash		518,064	482,197
Total current assets		11,505,378	13,477,341
Total Assets		12,839,099	14,763,742
EQUITY			
Share capital	8	8,651,208	8,651,208
Reserves	8	14,229,769	14,229,769
Deficit		(11,043,487)	(8,534,481)
Total equity		11,837,490	14,346,496
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		1,001,609	417,246
Total current liabilities		1,001,609	417,246
Total Equity and Liabilities		12,839,099	14,763,742

COMMITMENTS (Note 12)

SUBSEQUENT EVENTS (Note 14)

These consolidated financial statements are authorized for issue by the Board of Directors on May 29, 2013. They are signed on the Company's behalf by:

"Joseph Grosso" , Director

"David Horton" , Director

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

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of loss and Comprehensive loss

(Expressed in Canadian Dollars)

	Note	Three months ended March 31, 2013 $	2012 $
Expenses			
Administration and management services	9	113,100	102,300
Corporate development and investor relations		138,867	50,958
Depreciation		7,059	8,210
Exploration		1,712,102	504,320
Foreign exchange (gain) loss		(15,868)	(32,897)
Office and sundry	9	47,201	28,715
Professional fees		95,309	9,250
Rent, parking and storage	9	53,705	21,477
Salaries and employee benefits	9	326,252	77,591
Share-based compensation		-	1,625
Transfer agent and regulatory fees		7,670	10,633
Travel and accommodation		67,836	27,879
Loss from operating activities		2,553,233	810,061
Gain on sale of property and equipment		(10,919)	-
Interest income		(33,308)	(10,110)
Royalty revenue	6	-	(601,819)
Loss for the period		2,509,006	198,132
Other comprehensive loss (income)			
Unrealized (gain) loss on available-for-sale marketable securities		-	(5,775)
Other comprehensive loss (income) for the period		-	(5,775)
Total comprehensive loss or the period		2,509,006	192,357
Basic and diluted loss per common share ($)	10	0.06	0.00

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

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Three months ended March 31, 2013 $	Three months ended March 31, 2012 $
Cash flows from operating activities		
Income (Loss) for the year	(2,509,006)	(198,132)
Adjustments for:		
Depreciation of property and equipment included in exploration expenses	5,593	3,272
Depreciation	7,059	8,210
Gain on sale of property and equipment	(10,919)	-
Share-based compensation	-	1,625
	(2,507,273)	(185,025)
(Increase) decrease in other receivable	(168)	(51,466)
Change in non-cash working capital items:		
(Increase) decrease in royalty income receivable	-	12,768
(Increase) decrease in amounts receivable	8,497	(17,695)
(Increase) decrease in interest receivable	(9,443)	(7,230)
(Increase) decrease in prepaid expenses	(41,224)	(27,154)
Increase (decrease) in accounts payable and accrued liabilities	584,363	(101,124)
Net cash used in operating activities	(1,965,248)	(376,926)
Cash flows from investing activities		
Mineral property interests	(29,804)	(195,705)
Expenditures on property and equipment	(30,000)	-
Proceeds from sale of property and equipment	10,919	-
Purchase of short-term investments	(8,500,000)	-
Redemption of short-term investments	10,550,000	505,713
Net cash used in investing activities	2,001,115	310,008
Net increase (decrease) in cash	35,867	(66,918)
Cash at beginning of period	482,197	369,656
Cash at end of period	518,064	302,738

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

Golden Arrow Resources Corporation

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves					
	Number of shares	Amount $	Contributed surplus $	Equity settled share-based payments $	Warrants $	Accumulated other comprehensive income $	Deficit $	Total $
Balance at December 31, 2011	55,263,655	12,703,282	13,097,120	1,032,491	-	28,874	(21,227,839)	5,633,928
Stock options expired	-	-	45,908	(45,908)	-	-	-	-
Share-based compensation	-	-	-	1,625	-	-	-	1,625
Total comprehensive income (loss) for the period	-	-	-	-	-	5,775	(198,132)	(192,357)
Balance at March 31, 2012	55,263,655	12,703,282	13,143,028	988,208	-	34,649	(21,425,971)	5,433,196
Stock options expired	-	-	225,252	(225,252)	-	-	-	-
Share-based compensation	-	-	-	103,152	-	-	-	103,152
Repurchases of common shares	(13,440,000)	(4,032,000)	-	-	-	-	-	(4,032,000)
Share repurchase costs	-	(20,074)	-	-	-	-	-	(20,074)
Total comprehensive income (loss) for the period	-	-	-	-	-	(39,268)	12,891,490	12,852,222
Balance at December 31, 2012	41,823,655	8,651,208	13,358,280	866,108	-	(4,619)	(8,534,481)	14,346,496
Total comprehensive income (loss) for the period	-	-	-	-	-	-	(2,509,006)	(2,509,006)
Balance at March 31, 2013	41,823,655	8,651,208	13,358,280	866,108	-	(4,619)	(11,043,487)	11,837,490

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 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 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.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Company's condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial reporting" ("IAS 34") 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 three months ended March 31, 2013.

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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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
IMPSA Resources Corporation	BC, Canada	Holding company
Valle Del Cura 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.

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.

Royalty Revenue

Royalty revenue is based upon amounts contractually due pursuant to the underlying royalty agreement. Revenue is measured at the fair value of the consideration received or receivable when management can reliably estimate the amount pursuant to the terms of the royalty agreement.

<u>Non-derivative financial assets</u>

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, short terms investments, amounts receivable and other receivable.

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 income.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 inputs used in accounting for share-based compensation expense in profit or loss; and,

ii. the assessment of indications of impairment of each mineral property and related determination of the recoverable amount and write-down of those properties where applicable.

Critical accounting judgments

i. 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; and,

ii. 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.

New Accounting Standards and Interpretations

The International Accounting Standards Board has issued new and amended standards and interpretations which have not yet been adopted by the Company. The Company has not yet begun the process of assessing the impact that the new and amended standards and interpretations will have on its financial statements or whether to early adopt any of the new requirements. 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. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after January 1, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 10 – Consolidation

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements. The standard is applicable for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company is yet to assess IFRS 10's full impact, however based on the current facts and circumstances the Company does not expect to be materially affected by the application of this standard.

IFRS 11 - Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers. The standard is applicable for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company is yet to assess IFRS 11's full impact, however based on the current facts and circumstances the Company does not expect to be materially affected by the application of this standard.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The standard is applicable for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company is yet to assess IFRS 12's full impact, however based on the current facts and circumstances the Company does not expect to be materially affected by the application of this standard.

IFRS 13 - Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The standard is applicable for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company is yet to assess IFRS 13's full impact, however based on the current facts and circumstances the Company does not expect to be materially affected by the application of this standard.

(Unaudited - Expressed in Canadian Dollars)

3. PROPERTY AND EQUIPMENT

	Computer Software	Geological Equipment	Vehicles	Total $
Cost				
Balance at December 31, 2012	26,471	65,683	111,064	203,218
Additions	-	30,000	-	30,000
Disposals	-	-	(14,273)	(14,273)
Balance at March 31, 2013	26,471	95,683	96,791	218,945
Accumulated Depreciation				
Balance at December 31, 2012	6,617	65,683	27,329	99,629
Depreciation	3,309	3,750	5,593	12,652
Disposals	-	-	(14,273)	(14,273)
Balance at March 31, 2013	9,926	69,433	18,649	98,008
Carrying Amount				
At December 31, 2012	19,854	-	83,735	103,589
At March 31, 2013	16,545	26,250	78,142	120,937

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 March 31, 2013 and December 31, 2012:

Acquisition Costs

	Argentina							
	Fronterra District $	**La Rioja $**	**Caballos $**	**Chinchillas $**	**Darmar $**	**Pescado $**	**Other $**	**Total $**
Balance – December 31, 2012	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	1,207	-	479	20,802	-	644	6,672	29,804
	1,207	-	479	20,802	-	644	6,672	29,804
Balance – March 31, 2013	654,245	14,547	2,231	321,487	100,050	32,074	87,982	1,212,616

(Unaudited - Expressed in Canadian Dollars)

4. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina						Chile	Total
	Fronterra District $	La Rioja $	Chinchillas $	Caballos $	Pescado $	Other $	Mogote $	$
Cumulative exploration expenses – December 31, 2012	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	-	-	91,939	249	-	249	-	92,437
Drilling	-	-	861,474	-	-	-	-	861,474
Office	-	-	85,604	3,036	-	3,930	-	92,570
Salaries and contractors	2,112	-	241,751	7,363	151	5,539	-	256,916
Supplies and equipment	-	-	207,844	29	-	29	-	207,902
Transportation	-	-	54,104	475	-	421	-	55,000
Statutory taxes	303	-	142,827	1,062	73	1,538	-	145,803
	2,415	-	1,685,543	12,214	224	11,706	-	1,712,102
Cumulative exploration expenses – March 31, 2013	4,328,968	1,605,670	4,695,621	285,148	844,266	560,104	13,325	12,333,102

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 March 31, 2012 and December 31, 2011:

Acquisition Costs

	Argentina								Chile	
	Fronterra District $	La Rioja $	Caballos $	Chinchillas $	Darmar $	Mogote $	Purulla $	Other $	Mogote $	Total $
Balance – December 31, 2011	650,396	9,697	-	22,834	-	80,686	128,473	100,520	13,417	1,006,023
Additions										
Staking costs, land payments and acquisition costs	1,384	4,638	636	85,769	100,050	-	-	3,228	-	195,705
	1,384	4,638	636	85,769	100,050	-	-	3,228	-	195,705
Balance – March 31, 2012	651,780	14,335	636	108,603	100,050	80,686	128,473	103,748	13,417	1,201,728

(Unaudited - Expressed in Canadian Dollars)

4. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina							Chile	
	Fronterra District $	**La Rioja $**	**Chinchillas $**	**Caballos $**	**Pescado $**	**Purulla $**	**Other $**	**Mogote $**	**Total $**
Cumulative exploration costs – December 31, 2011	4,323,247	1,443,205	244,665	1,626	843,108	259,953	543,661	13,325	7,672,790
Expenditures during the period									
Assays	-	6,399	5,612	4,643	-	-	-	-	16,654
Geophysics and metallurgy	-	(3,623)	8,326	35,053	-	-	-	-	39,756
Office	-	26,322	25,299	44,456	-	-	-	-	96,077
Salaries and contractors	-	85,655	56,798	65,867	-	-	-	-	208,320
Supplies and equipment	-	2,780	5,893	57,998	-	-	-	-	66,671
Transportation	-	5,991	18,376	6,462	-	-	-	-	30,829
Statutory taxes	115	10,645	17,117	17,868	61	-	207	-	46,013
	115	134,169	137,421	232,347	61	-	207	-	504,320
Cumulative exploration costs – March 31, 2012	4,323,362	1,577,374	382,086	233,973	843,169	259,953	543,868	13,325	8,177,110

(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.

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 $1.8 million 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
400,000	August 3, 2014
900,000	August 3, 2015
1,800,000	

Furthermore the Company must make an additional payment of $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.

(Unaudited - Expressed in Canadian Dollars)

4. MINERAL PROPERTY INTERESTS (continued)

(c) Varitas, La Rioja, Argentina

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

(d) Mogote Property, 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.

Under the terms of the option agreement, as amended on December 7, 2012, Vale can earn an initial 70% interest in the projects by completing USD $6.8 million in exploration expenditures and making USD $2.8 million in cash payments to the Company over 4 years.

Date	Cash Payments USD $	Exploration Expenditures USD $
By September 2, 2011	100,000 (received)	800,000 (incurred)
By September 2, 2012	200,000 (received)	2,000,000 (incurred)
By September 2, 2013	200,000	1,500,000
By September 2, 2014	2,300,000	2,500,000
	2,800,000	6,800,000

In addition, Vale will make the underlying vendor payments of USD $1.025 million with regard to the Purulla project. If Vale elects to drop one of the two properties during the option, the overall terms will remain the same with the exception that if Purulla is dropped Vale will no longer be responsible for making the underlying vendor payments. On June 18, 2012, Vale terminated its option on the Purulla project.

Vale has the option to increase its interest to 85% by funding and delivering a Feasibility Study within a further 3 year period. Subsequently Vale will have the option for a further 2 years to purchase the Company’s remaining 15% interest in the project for fair market value. Golden Arrow will retain a 1.5% Net Smelter Royalty (NSR) of which Vale will have the option to purchase 0.5% for USD $7.0 million. The option agreement includes a firm commitment by Vale to complete USD $800,000 in exploration expenditures and make USD $125,000 in vendor payments during the first year. These commitments were met in accordance with the option agreement.

(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.

(Unaudited - Expressed in Canadian Dollars)

5. INVESTMENTS

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

	Quantity	Fair Value
Iron South Mining Corp. common shares ("Iron South")	230,990	$11,550
Premier Royalty Corp. warrants ("Premier Royalty")	1,000,000	$1,250,000
		$1,261,550

At December 31, 2012, the Company held the following:

	Quantity	Fair Value
Iron South Mining Corp. common shares ("Iron South")	230,990	$11,550
Premier Royalty Corp. warrants ("Premier Royalty")	1,000,000	$1,250,000
		$1,261,550

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 (income) loss in the period in which they occur. A changes in fair value of $Nil (March 31, 2012 – unrealized gain $5,775) was recorded for the three months ended March 31, 2013.

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

6. ROYALTY REVENUE

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 9, 2012, the Company finalized the definitive purchase agreement (the "Agreement") regarding the sale by Golden Arrow and purchase by Premier Gold Mines Limited ("Premier Gold") through its wholly-owned subsidiary, Premier Royalty Corporation ("Premier Royalty"), of a 1% NSR on Yamana Gold Inc.'s Gualcamayo gold mine (the "Royalty").

For the three months ended March 31, 2013, the Company earned $Nil in royalty revenue from Yamana. For the three months ended March 31, 2012, the Company earned $601,819 (USD $608,451) in royalty revenue from Yamana.

(Unaudited - Expressed in Canadian Dollars)

7. SHORT-TERM INVESTMENTS

At March 31, 2013 the Company held the following short-term investments:

	March 31, 2013	
Guaranteed Investment Certificate	Maturity	Fair value $
High interest savings account	-	6,000,000
1.20% annual interest rate	July 8, 2013	1,500,000
Prime less 1.65% annual interest rate	November 8, 2013	1,000,000
Prime less 1.65% annual interest rate	January 14, 2014	1,000,000
		9,500,000

At December 31, 2012 the Company held the following short-term investments:

	December 31, 2012	
Guaranteed Investment Certificate	Maturity	Fair value $
Prime less 1.65% annual interest rate	November 8, 2013	10,750,000
Prime less 1.95% annual interest rate	November 8, 2013	800,000
		11,550,000

All term deposits are redeemable in full or portion at the Company's option without penalty. Interest is paid on amounts redeemed subsequent to 30 days from the date of investment. The Company places its deposits with financial institutions with high credit ratings.

8. CAPITAL AND RESERVES

Authorized Share Capital

At March 31, 2013, 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.

Issued Share Capital

At March 31, 2013, the issued share capital comprised 41,823,655 common shares (December 31, 2012 – 41,823,655).

Details of Common Share Repurchases in 2013 and 2012

On September 11, 2012, the Company received shareholder approval for the sale of the Company's 1% NSR on Yamana's Gualcamayo gold mine to Premier Royalty Corporation ("Premier Royalty") for gross proceeds of $17,750,000. The Company received valid dissent notices representing 13,440,000 common shares. In accordance with dissent law, the Company acquired these shares in December 2012 at their fair market value as at September 10, 2012 of $0.30 completing the share repurchase program for an aggregate purchase price of $4,032,000 and common share repurchase costs of $20,074.

(Unaudited - Expressed in Canadian Dollars)

8. CAPITAL AND RESERVES (continued)

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 the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

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 three months ended March 31, 2013 is as follows:

Expiry date	Exercise Price	December 31, 2012	Granted	Exercised	Expired/ Forfeited	March 31, 2013	Options exercisable
August 4, 2013	$0.31	75,000	-	-	-	75,000	75,000
May 7, 2014	$0.35	1,395,000	-	-	-	1,395,000	1,395,000
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	-	-	-	885,000	885,000
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
		4,100,000	-	-	-	4,100,000	4,100,000
Weighted average exercise price $		0.36	-	-	-	0.36	0.36
Weighted average contractual remaining life (years)		2.46	-	-	-	2.22	2.22

(Unaudited - Expressed in Canadian Dollars)

8. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the three months ended March 31, 2012 is as follows:

Expiry date	Exercise Price	December 31, 2011	Granted	Exercised	Expired/ cancelled	March 31, 2012	Options exercisable
March 15, 2012	$0.80	75,000	-	-	(75,000)	-	-
September 10, 2012	$1.00	578,000	-	-	(15,000)	563,000	563,000
May 7, 2014	$0.35	1,445,000	-	-	(50,000)	1,395,000	1,395,000
August 4, 2014	$0.31	75,000	-	-	-	75,000	56,250
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	-	-	-	885,000	885,000
October 29, 2015	$0.38	75,000	-	-	-	75,000	75,000
November 4, 2015	$0.40	870,000	-	-	-	870,000	870,000
		4,253,000	-	-	(140,000)	4,113,000	4,094,250
Weighted average exercise price $		0.46	-	-	0.66	0.45	0.45
Weighted average contractual remaining life (years)		2.77	-	-	-	2.58	2.58

9. 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 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 is $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.

	Three months ended March 31, 2013	
	2013	2012
Transactions	$	$
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services(1)	80,100	87,300
Rent, parking and storage(1)	51,000	19,200
Office & sundry(1)	31,500	21,000
Total for services rendered	162,600	127,500

(1) Included in the Condensed Consolidated Interim Statements of Loss and Comprehensive Loss for the three months ended March 31, 2013 and 2012.

(Unaudited - Expressed in Canadian Dollars)

9. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Cacos Consulting Ltd. ("Cacos Consulting") is a private company controlled by Mr. Nikolaos Cacos, a director of the Company. For the three months ended March 31, 2013, Cacos Consulting was paid $30,000 (three months ended March 31, 2012 - $12,000) for management consulting services. Amounts paid to Cacos Consulting are classified as administration and management services in the condensed consolidated interim statements of loss and comprehensive loss.

Vinland Holdings Ltd. ("Vinland") is a private company controlled by Dr. David Terry, a director and former officer to the Company. For the three months ended March 31, 2013, Vinland was paid $3,000 (three months ended March 31, 2012 – $3,000) for geological services. Amounts paid to Vinland are classified as administration and management services in the condensed consolidated interim statements of loss and comprehensive loss.

At March 31, 2013 the Company had $1,000 (March 31, 2012 - $1,000) included in accounts payable and accrued liabilities to Vinland.

Oxbow International Marketing Corp. ("Oxbow") is a private company controlled by Mr. Joseph Grosso, a director and former officer to the Company. For the three months ended March 31, 2013, Oxbow was paid $31,250 (three months ended March 31, 2012 – $31,250) for management consulting services. Amounts paid to Oxbow are classified as salaries and employee benefits in the condensed consolidated interim statements of loss and comprehensive loss.

Key management personnel compensation

Compensation	Salaries $	Other $	Three months ended March 31, 2013 $	Salaries $	Other $	Three months ended March 31, 2012 $
Chief Executive Officer	72,917	-	72,917	31,250	-	31,250
Chief Financial Officer	15,495	160,378[1]	175,873	13,661	-	13,661
Total	88,412	160,378	248,790	44,911	-	44,911

(1) 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 three months ended March 31, 2013.

10. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended March 31, 2013 and 2012 was based on the following:

	Three months ended March 31, 2013	Three months ended March 31, 2012
Loss attributable to common shareholders ($)	2,509,006	198,132
Weighted average number of common shares outstanding	41,823,655	55,263,655

Diluted loss per share did not include the effect of 4,100,000 (2012 – 4,113,000) share purchase options as they are anti-dilutive.

(Unaudited - Expressed in Canadian Dollars)

11. 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 three months ended March 31, 2013.

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

	Argentina	
	March 31, 2013 $	December 31, 2012 $
Mineral property interests	1,212,616	1,182,812
Property and equipment	120,937	103,589
Other receivable	168	-
	1,333,721	1,286,401

12. COMMITMENTS

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Management Services Agreement	522,000	391,500	-	-	-

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 $43,500 per month. This fee is reviewed and adjusted quarterly based on the level of services required. The fee for 2013 is consistent with the amount charged for the year ended December 31, 2012.

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, short-term investments, share purchase warrants, 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

(Unaudited - Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

the lowest level of input that is significant to the fair value measurement.

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

	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Warrant derivative assets	-	-	1,250,000	1,250,000
Marketable securities	11,550	-	-	11,550

At December 31, 2012 the Company's financial instruments measured at fair value are as follows:

	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Warrant derivative assets	-	-	1,250,000	1,250,000
Marketable securities	11,550	-	-	11,550

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 period is as follows:

	Three months ended March 31,	
	2013 $	2012 $
Marketable securities, beginning of period	11,550	45,043
Unrealized gain (loss) included in other comprehensive income	-	5,775
Marketable securities, end of period	11,550	50,818

(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.

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

Overall the Company's credit risk has not changed significantly from the prior year. The Company places its 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.

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 income by $9,316.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net income by $67,907.

(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 mature within 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 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.

(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

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

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.

14. SUBSEQUENT EVENTS

(a) On April 4, 2013, 100,000 stock options with an exercise price of $0.35 expired.

(b) On May 15, 2013, 50,000 stock options with an exercise price of $0.35 expired.

(c) On May 17, 2013, the Company announced that the employment agreement with its recently appointed Chief Executive Officer will not be renewed. Accordingly, the Company will not be proceeding with the previously announced private placement and loan to allow the purchase of 750,000 units of Golden Arrow at a price of $0.30 per unit consisting of one common share of Golden Arrow and one non-transferable share purchase warrant to purchase one additional common share of Golden Arrow for a period of 24 months at the price of $0.37 per common share.