Golden Arrow Resources Corporation

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2019 AND 2018

(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 consolidated 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 Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2019 $	December 31, 2018 $
ASSETS			
Current assets			
Cash and cash equivalents		1,270,594	437,221
Investments	6	23,927,591	1,732
Amounts receivable	10	192,741	81,254
Prepaid expenses		125,249	223,849
Total current assets		25,516,175	744,056
Non-current assets			
Equipment		36,541	39,250
Mineral property interests	5	971,207	669,678
Right-of-use assets	2	126,244	-
Investment in POI	4	-	48,833,847
Total non-current assets		1,133,992	49,542,775
Total Assets		26,650,167	50,286,831
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	1,853,627	300,416
Current portion of lease liabilities	2	49,326	-
Loans payable	8	-	451,627
Total current liabilities		1,902,953	752,043
Lease liabilities	2	78,980	-
Credit facility	7	-	11,205,397
Total liabilities		1,981,933	11,957,440
EQUITY			
Share capital	9	38,820,382	34,847,881
Reserves	9	20,499,253	18,764,786
Subscriptions payable	9	-	250,000
Cumulative translation adjustment		-	1,078,960
Deficit		(34,651,401)	(16,612,236)
Total equity		24,668,234	38,329,391
Total Equity and Liabilities		26,650,167	50,286,831

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS (Note 13)
SUBSEQUENT EVENTS (Note 17)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 28, 2019. 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
Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended September 30, 2019 $	Three months ended September 30, 2018 $	Nine months ended September 30, 2019 $	Nine months ended September 30, 2018 $
Expenses					
Administration and management services	10	194,650	119,500	427,545	323,525
Corporate development and investor relations		204,908	211,537	679,534	661,856
Depreciation		14,412	2,107	16,218	5,334
Exploration	5	262,581	31,671	1,162,866	3,471,295
Office and sundry	10	61,063	56,896	193,342	187,274
Professional fees		925,784	67,982	1,090,876	423,191
Rent, parking and storage		19,699	34,404	99,437	106,503
Salaries and employee benefits	10	1,735,387	240,015	2,190,011	708,966
Share-based compensation	10	-	-	-	760,760
Transfer agent and regulatory fees		7,497	11,046	59,702	32,482
Travel and accommodation		6,492	43,563	45,525	163,435
Loss from operating activities		(3,432,473)	(818,721)	(5,965,056)	(6,844,621)
After tax net loss from POI	4	(3,386,270)	(3,164,581)	(3,024,031)	(8,611,435)
Finance recovery (expense) – warrants extension		-	473,280	-	-
Foreign exchange (loss) gain		(531,695)	(335,605)	61,325	(17,790)
Loss on disposition of investment in POI		(7,530,387)	-	(7,530,387)	-
Gain on sale of marketable securities		-	49,356	-	49,356
Interest expense – SSRM Credit Facility	7	(520,927)	-	(1,568,534)	-
Interest expense – Loans payable	8	(11,522)	-	(20,103)	-
Interest income		3,516	18,054	7,621	101,349
Loss for the period		(15,409,758)	(3,778,217)	(18,039,165)	(15,323,141)
Other comprehensive income					
Items that may be reclassified to profit or loss					
Loss on sale of marketable securities		(12,227)	-	(12,227)	-
Unrealized gain (loss) on marketable securities	6,15a	548,055	(7,992)	559,797	(116,959)
Unrealized (loss) gain on translation to reporting currency	4	982,949	(2,048,985)	(1,078,960)	1,096,728
Other comprehensive income (loss) for the period		1,518,777	(2,056,977)	(531,390)	979,769
Comprehensive loss for the period		(13,890,981)	(5,835,194)	(18,570,555)	(14,343,372)
Basic and diluted loss per common share ($)	11	(0.13)	(0.04)	(0.17)	(0.16)

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

Golden Arrow Resources Corporation
Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Nine months ended September 30, 2019 $	2018 $
Cash flows from operating activities		
Loss for the period	(18,039,165)	(15,323,141)
Adjustments for:		
After tax net loss from POI	3,024,031	8,611,435
Depreciation	16,218	5,334
Loss on disposition of investment in POI	7,530,387	-
Gain on sale of marketable securities	-	(49,356)
Share-based compensation	-	760,760
	(7,468,529)	(5,994,968)
Change in non-cash working capital items:		
Increase in amounts receivable	(111,487)	(5,712)
Decrease (increase) in prepaid expenses	98,600	(55,159)
Increase in interest payable	1,566,907	-
Increase (decrease) in accounts payable and accrued liabilities	1,553,210	(190,295)
Net cash used in operating activities	(4,361,299)	(6,246,114)
Cash flows from investing activities		
Expenditures on mineral property interests	(301,529)	(450,478)
Expenditures on equipment	-	(1,977)
Proceeds from disposition of investment in POI	3,000,000	-
Investments in POI	(4,950,999)	(8,210,848)
Proceeds of marketable securities, net of transaction costs	1,247	240,155
Net cash used in investing activities	(2,251,281)	(8,423,148)
Cash flows from financing activities		
Issuance of common shares and warrants	5,595,113	-
Credit Facility proceeds received	2,312,287	-
Loan proceeds received	1,429,000	-
Loan repayment	(1,879,000)	-
Lease payments	(11,447)	-
Warrants exercised	-	1,090,871
Net cash generated by financing activities	7,445,953	1,090,871
Net increase (decrease) in cash and cash equivalents	833,373	(13,578,391)
Cash and cash equivalents at beginning of period	437,221	16,190,601
Cash and cash equivalents at end of period	1,270,594	2,612,210

SUPPLEMENTARY CASH FLOW INFORMATION (Note 14)

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

Golden Arrow Resources Corporation
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 (loss) $	Cumulative translation adjustment $	Subscriptions payable $	Retained earnings (deficit) $	Total $
Balance at December 31, 2017	98,393,134	33,346,977	14,291,051	2,028,553	2,059,536	105,409	(2,349,492)	-	1,188,739	50,670,773
Agent warrants expired	-	-	287,142	-	(287,142)	-	-	-	-	-
Share-based compensation	-	-	-	760,760	-	-	-	-	-	760,760
Stock options expired	-	-	96,653	(96,653)	-	-	-	-	-	-
Warrants exercised	3,581,383	1,500,904	-	-	(410,033)	-	-	-	-	1,090,871
Warrants expired	-	-	35,019	-	(35,019)	-	-	-	-	-
Total comprehensive (loss) income for the period	-	-	-	-	-	(116,959)	1,096,728	-	(15,323,141)	(14,343,372)
Balance at September 30, 2018	101,974,517	34,847,881	14,709,865	2,692,660	1,327,342	(11,550)	(1,252,764)	-	(14,134,402)	38,179,032
Subscriptions payable	-	-	-	-	-	-	-	250,000	-	250,000
Total comprehensive (loss) income for the period	-	-	-	-	-	46,469	2,331,724	-	(2,477,834)	(99,641)
Balance at December 31, 2018	101,974,517	34,847,881	14,709,865	2,692,660	1,327,342	34,919	1,078,960	250,000	(16,612,236)	38,329,391
Private placement	21,816,512	4,780,356	-	-	1,163,347	-	-	(250,000)	-	5,693,703
Share issue costs	-	(98,591)	-	-	-	-	-	-	-	(98,591)
Agent warrants granted	-	(23,550)	-	-	23,550	-	-	-	-	-
Stock options expired	-	-	149,795	(149,795)	-	-	-	-	-	-
Warrants expired	-	-	1,327,342	-	(1,327,342)	-	-	-	-	-
Return to treasury	(4,285,714)	(685,714)	-	-	-	-	-	-	-	(685,714)
Total comprehensive (loss) income for the period	-	-	-	-	-	547,570	(1,078,960)	-	(18,039,165)	(18,570,555)
Balance at September 30, 2019	119,505,315	38,820,382	16,187,002	2,542,865	1,186,897	582,489	-	-	(34,651,401)	24,668,234

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Golden Arrow Resources Corporation (the "Company" or "We") 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 (the "Agreement") entered into on September 30, 2015 with, among others, SSR Mining Inc. ("SSRM"), 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 (the "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.), and began 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 South America. The Company's mineral property interests presently have no proven or probable reserves and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. 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. On September 18, 2019, the Company sold its 25% interest in POI to SSRM. (See Note 4).

The Company has experienced recurring operating losses and has an accumulated deficit of $34,651,401 (Deficit of $16,612,236 as at December 31, 2018) and shareholders' equity of $24,668,234 as at September 30, 2019 (As at December 31, 2018 – $38,329,391). In addition, the Company has positive working capital of $23,613,222 as at September 30, 2019 (Negative working capital of $7,987 as at December 31, 2018) and negative cash flow from operating activities of $4,361,299 (September 30, 2018 – $6,246,114). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors create material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments and to attain profitable operations. Management's plan in this regard is to raise equity financing as required to further fund its share of planned capital expenditures for its investment in POI and working capital. Management's plan in this regard is to raise additional funding as required. There are no assurances that the Company will be successful in achieving these goals. These condensed consolidated interim financial statements do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Company on November 28, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Statement of compliance

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 Standards 34 'Interim Financial Reporting'.

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, which are carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Changes in Accounting Standards

The Company has adopted IFRS 16 - *Leases* ("IFRS 16") from January 1, 2019.

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 Company has applied modified retrospective approach by recognizing the cumulative effect of adopting the standard for the contracts entered during the year, thus the comparative information has not been restated. The Company has elected to not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low value assets. As all leases at January 1, 2019 qualified for short term exemption, no right to use assets and lease liability were recognized as at January 1, 2019.

The Company, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. The right-of-use asset is measured at cost, which is equal to the initial lease liability adjusted for any lease payments at or before the commencement date, less any lease incentives received. It is subsequently measured at cost less any accumulated depreciation and impairment losses, and adjusted for re-measurements of the lease liability.

Lease liability is measured at the present value of remaining lease payments, discounted at the Company's incremental borrowing rate as of January 1, 2019. It is subsequently increased by the interest cost on the lease liability, less the lease payments made. Lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or in the assessment of whether an extension option is reasonably certain to be exercised. The Company's incremental borrowing rate for the nine months ended September 30, 2019 was 12%.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

		September 30, 2019
Current portion of lease liability	$	49,326
Lease liabilities		78,980
	$	128,306

d) 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
New Golden Explorations Atlantida Ltd.	BC, Canada	Holding company
New Golden Explorations Indiana Ltd.	BC, Canada	Holding company
New Golden Explorations Indiana Chile SpA	Chile	Exploration company
New Golden Explorations Chile SpA	Chile	Exploration company
Lucca Sociedad Anonima S.A.	Paraguay	Exploration 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 joint venture

Investments in joint venture 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. At each period end, the carrying amount of equity-accounted investments is assessed for impairment. An impairment loss is recognized for the amount that which the assets carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets fair value less cost of disposal and value in use.

Significant Accounting Estimates and Judgments

These consolidated 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- 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 joint venture 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. Management has determined that there were no indicators of impairment as at September 30, 2019.

- The initial recognition of the fair value of the Company's investment in joint venture upon completion of the Plan of Arrangement described in Note 3 has been identified as an accounting policy which involves judgments or assessments made by management. We have accounted for this transaction as a disposition of subsidiaries in exchange for an investment in a joint venture. The fair value of our Investment in POI has been measured using a discounted cash flow model based on our best estimate of what inputs a market participant would consider appropriate. Key assumptions included commodity prices, reserves and resources, operating and capital costs and discount, foreign exchange and inflation rates. A change to these inputs would alter the value of our Investment in POI and the gain that we have recognized on close of this transaction.

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- Management is required to assess impairment in respect to the Company's 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. Management has determined that there were no indicators of impairment as at September 30, 2019.

- The determination of our tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgement by management. In determining these amounts, we interpret tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. We also make estimates of future earnings which affect the extent to which potential future tax benefits may be used. We are subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters.

3. PLAN OF ARRANGEMENT

Under the terms of the Agreement, POI acquired from SSRM 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 the Pirquitas mine and Chinchillas property.

In consideration for granting SSRM the rights to conduct an 18-month period (June 2017 – December 2018) of pre-development activities at Chinchillas ("the Preliminary Period"), SSRM 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 SSRM, 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 transaction.

On May 31, 2017, the Company closed the Arrangement as outlined above. Upon closing of the transaction, the Company received $17.8 million for the Pirquitas Payment for the period October 1, 2015 until May 31, 2017.

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 transaction of its investment in POI as follows:

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. PLAN OF ARRANGEMENT (continued)

		May 31, 2017
Pirquitas payment	$	17,810,756
Fair value of investment in POI		31,983,236
Total Consideration received	$	49,793,992
Assets		
Cash		56,328
Amounts receivable		67,660
Prepaid expenses		3,951
Mineral property interest		655,236
Total Assets	$	783,175
Liabilities		
Accounts payable and accrued liabilities		57,219
Total Liabilities	$	57,219
Carrying value of net assets		725,956
Gain on business transaction	$	49,068,036

4. INVESTMENT IN PUNA OPERATIONS JOINT VENTURE

On March 31, 2017, SSRM exercised its option on the Chinchillas project and on May 31, 2017, SSRM and the Company formed POI for the development of the property. The jointly owned company, holding the Pirquitas and Chinchillas properties was owned 75% by SSRM and 25% by the Company with SSRM as the operator.

The following is the summarized financial information for POI 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 accounted 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.

On September 18, 2019, the Company sold its 25% interest in POI to SSRM (the "Transaction"). As consideration for the sale of its 25% interest in POI, the Company received: (i) cash consideration of $3 million; (ii) 1,245,580 common shares of SSRM representing a value of C$23,379,536; (iii) cash consideration of $15,086,219, which was used to repay the outstanding principal and accrued interest owing under the US$10 million non-revolving term loan made by SSRM to the Company pursuant to the credit agreement entered into in July 2018 with SSRM; and (iv) the return of the 4,285,714 common shares in the capital of the Company held by SSRM representing a value of $685,714. In aggregate, the Company received a total consideration of $42,151,469.

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. INVESTMENT IN PUNA OPERATIONS JOINT VENTURE (continued)

The following table summarizes the change in investment in POI for the period ended September 18, 2019 and twelve-month period ended December 31, 2018:

Balance, December 31, 2017	$	33,702,015
Equity contributions to POI		19,793,348
Company's share of comprehensive loss of POI, net of tax		(8,089,968)
Subtotal		45,405,395
Translation adjustment		3,428,452
Balance, December 31, 2018	$	48,833,847
Equity contributions to POI		4,950,999
Company's share of comprehensive loss of POI, net of tax		(3,024,031)
Translation adjustment		(1,078,959)
Subtotal	$	49,681,856
Total Consideration received		(42,151,469)
Loss on disposition of investment in POI		(7,530,387)
Balance, September 18, 2019	$	-

The following is the summarized financial information for POI as at September 18, 2019 and December 31, 2018. The information disclosed reflects the amounts presented in the financial information of POI pro-rated until September 18, 2019, and not the Company's share of those amounts:

	September 18, 2019		December 31, 2018	
Current assets	$	71,024,167	$	86,231,487
Non-current assets		203,664,471		203,416,803
Current liabilities		(53,459,680)		(40,907,398)
Non-current liabilities		(34,110,450)		(53,405,504)
Net assets	$	187,118,508	$	195,335,388
Revenue		111,886,851		67,777,943
Operating income (loss)		10,181,303		(11,524,126)
Comprehensive income (loss)	$	(12,096,125)	$	(32,359,869)

5. MINERAL PROPERTY INTERESTS

The schedules below summarize the carrying costs of acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company is continuing to explore as at September 30, 2019:

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

Acquisition Costs

	Argentina				Chile			
	Antofalla $	La Rioja $	Caballos $	Pescado $	Atlantida $	Indiana $	Other $	Total $
Balance – December 31, 2017	265,442	40,334	65,124	49,009	-	-	135,700	555,609
Additions								
Staking costs, land payments and acquisition costs	309,997	3,799	10,620	1,312	-	-	124,750	450,478
Balance – September 30, 2018	575,439	44,133	75,744	50,321	-	-	260,450	1,006,087
Additions								
Staking costs, land payments and acquisition costs	(27,025)	(323)	(902)	(111)	534,341	128,098	(107,549)	526,529
Impairment of exploration and evaluation assets	(548,414)	(43,809)	(74,841)	(50,209)	-	-	(145,665)	(862,938)
Balance – December 31, 2018	-	1	1	1	534,341	128,098	7,236	669,678
Additions								
Staking costs, land payments and acquisition costs	-	-	-	-	119,304	84,090	98,135	301,529
Balance –September 30, 2019	-	1	1	1	653,645	212,188	105,371	971,207

Exploration Expenditures

	Argentina				Chile			
	Antofalla $	La Rioja $	Caballos $	Pescado $	Atlantida $	Indiana $	Other $	Total $
Cumulative exploration expenses December 31, 2018	4,843,596	1,613,101	329,474	1,321,927	36,528	47,837	1,259,688	9,452,151
Expenditures during the period								
Assays	1,616	-	-	180	-	-	17,460	19,256
Environmental reports	(1,184)	-	-	1,347	-	-	6,010	6,173
Office	87,738	-	-	9,749	18	-	1,395	98,900
Property maintenance payments	7,701	2,142	6,046	773	-	-	8,355	25,017
Salaries and contractors	194,364	-	-	21,596	381,657	264,159	18,674	880,450
Social and community	7,647	-	-	850	-	-	9,406	17,903
Supplies and equipment	14,676	-	-	1,617	15,979	7,494	7,717	47,483
Transportation	9,372	-	-	933	6,866	3,321	2,878	23,370
Value added taxes	32,111	213	603	3,695	-	-	7,692	44,314
	354,041	2,355	6,649	40,740	404,520	274,974	79,587	1,162,866
Cumulative exploration expenses September 30, 2019	5,197,637	1,615,456	336,123	1,362,667	441,048	322,811	1,339,275	10,615,017

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

The schedules below summarize all exploration expenditures incurred to date for each mineral property interest that the Company was continuing to explore as at September 30, 2018:

Exploration Expenditures

	Argentina					
	Antofalla $	**La Rioja $**	**Caballos $**	**Pescado $**	**Other $**	**Total $**
Cumulative exploration expenses December 31, 2017	1,534,399	1,612,637	328,178	1,120,172	1,212,924	5,808,310
Expenditures during the period						
Assays	86,973	-	-	33,633	-	120,636
Drilling	876,313	-	-	-	-	876,313
Environmental reports	19,396	-	-	993	162	20,551
Office	166,794	-	-	17,247	-	184,041
Property maintenance payments	10,321	-	-	1,133	-	11,454
Salaries and contractors	500,692	-	-	69,948	-	570,640
Social and community	38,141	-	-	-	-	38,141
Supplies and equipment	802,612	-	-	32,463	2,666	837,741
Transportation	336,181	-	-	10,114	166	346,461
Value added taxes	362,236	437	1,221	18,794	82,629	465,317
	3,199,659	437	1,221	184,355	85,623	3,471,295
Cumulative exploration expenses September 30, 2018	4,734,058	1,613,074	329,399	1,304,527	1,298,547	9,279,605

(a) Atlantida Project, Chile

The Company entered into option agreements to acquire up to 100% of the Atlantida copper-gold project in Chile. The Atlantida Project includes two separate land packages that the Company has consolidated into a single project through the signing of two definitive agreements. The first agreement includes a 48 month earn-in with total payments of US$4,000,000. There is a 2% Net Smelter Royalty ("NSR") payable with 50% available for repurchase under certain terms.

Option Payment USD $	Year
200,000 (paid)	2018
400,000	2019
650,000	2020
1,100,000	2021
1,650,000	2022
4,000,000	

The second agreement includes a 24 month earn-in period with total payments of US$2,000,000 and a 1% NSR that can be repurchased under certain terms. (See also Note 17).

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

Option Payment USD $	Year
250,000 (paid)	2018
100,000 (paid)	2019
150,000	2020
1,500,000	2020
2,000,000	

(b) Indiana Project, Chile

The Company executed a definitive agreement with Mineria Activa SpA. (“MSA”) to acquire up to 100% of the Indiana gold-copper project in Chile. Terms include cash payments of US$100,000 payment on signing, followed by US$15,000,000 in payments staged over 48 months. Prior to Golden Arrow making the last payment of $7,000,000 at the end of year 4, MSA has the option of retaining 25% of the Project, which will then move forward on a pro-rata basis.

Option Payment USD $	Year
100,000 (paid)	2018
70,000 (paid)	2019
1,000,000	2019
2,000,000	2020
5,000,000	2021
7,000,000	2022
15,170,000	

(c) 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 retains a 1% net smelter royalty.

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

During the year ended December 31, 2018, the Company determined that it would not be exploring the Antofalla property further based on exploration work done to the end of the period, and impaired $548,414 in acquisition costs.

(d) Tierra Dorada Project, Paraguay

The Company entered into an option agreement to acquire a 100% interest in the Tierra Dorada gold project in Paraguay (the “Property”). The terms of the option agreement include staged payments over six years totaling US$2,000,000 and an additional payment of US$2,000,000 thirty (30) working days following the date of commencement of commercial production on the Property, for a 100% interest in the Property.

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

Option Payment USD $	Year
36,000 (paid)	2018
75,000	2020
100,000	2020
200,000	2021
300,000	2022
400,000	2023
889,000	2024
2,000,000	Thirty working days following the date of commencement of commercial production
4,000,000	

(e) Varitas, La Rioja, Argentina

The Company owns a 100% interest in the Varitas property in southern La Rioja Province, Argentina. During the year ended December 31, 2018, the Company determined that it would not be exploring the Varitas property further, and impaired $43,809 in acquisition costs.

(f) Mogote and Purulla Properties, Argentina

The Company owns a 100% interests in the Mogote and Purulla properties in Argentina. During the year ended December 31, 2018, the Company determined that it would not be exploring the Mogote and Purulla properties further, and impaired $145,665 in acquisition costs.

(g) Caballos, La Rioja, Argentina

The Company owns a 100% interest in the Caballos property in western La Rioja Province, Argentina. During the year ended December 31, 2018, the Company determined that it would not be exploring the Caballos property further, and impaired $74,841 in acquisition costs.

(h) Pescado, San Juan, Argentina

The Company owns a 100% interest in the Pescado Gold Project in San Juan Province, Argentina. During the year ended December 31, 2018, the Company determined that it would not be exploring the Pescado property further, and impaired $50,209 in acquisition costs.

6. INVESTMENTS

At September 30, 2019, the Company held the following:

	Quantity	Fair Value
SSR Mining Inc. common shares (“SSRM”)	1,245,580	$23,927,591
		$23,927,591

At December 31, 2018, the Company held the following:

	Quantity	Fair Value
Argentina Lithium & Energy Corp. common shares (“Argentina Lithium”)	19,249	$1,732
		$1,732

(Expressed in Canadian Dollars Unless Otherwise Noted)

6. INVESTMENTS (continued)

The Company has elected to classify its marketable securities at FVOCI and accordingly, changes in fair value are recorded in other comprehensive income in the period in which they occur. A realized loss of $12,227 was recorded for the nine months ended September 30, 2019 (nine months ended September 30, 3018 – realized gain of $49,356). An unrealized gain of $559,797 was recorded for the nine months ended September 30, 2019 (nine months ended September 30, 2018 – $116,959). (See also Note 15a).

7. CREDIT FACILITY

On July 6, 2018, the Company entered into a credit agreement with SSRM for a non-revolving term loan in an aggregate principal amount equal to US$10,000,000. The loan matures on July 22, 2020, the date which is 24 months from the first delivery of ore from the Chinchillas property to the Pirquitas mill.

The proceeds borrowed under the credit facility were required to be used by the Company to fund its contributions under the shareholders' agreement the Company entered into with SSRM on May 31, 2017, as the sole shareholders of POI. The loan was secured by the Company’s ownership and equity interests in POI.

On September 18, 2019, pursuant to the Transaction, the Company repaid all outstanding principal and accrued interest of $15,086,219 owed to SSRM. At September 18, 2019, the Company had drawn USD $10,000,000 (CAD $13,271,000) of the credit facility, and accrued USD $1,368,509 (CAD $1,815,219) interest. Interest was calculated using the US base rate of 5.75%, established by Canadian banks for US dollar loans made by the banks in Canada, plus 10%.

The credit facility bore interest (computed on the basis of the actual number of days elapsed over a year of 365 days and compounded monthly) at a rate per annum equal to 10% plus the US Base Rate, defined as, the greatest of: (i) the rate of interest per annum calculated on the basis of 365 day year, established by Canadian banks from time to time as a reference rate for the determination of interest rates that such Canadian banks charge to customers of varying degrees of creditworthiness for US dollar loans made by them in Canada; (ii) the Federal Funds Rate for such day or, if such day is not a Business Day, on the immediately preceding Business Day, plus 1.00% per annum; and (iii) LIBOR rate for a period of 1 month on such day (or, in respect of any day that is not a Business Day, such Libor in effect on the immediately preceding Banking Day) plus 1.00% per annum. Interest on the loan was accrued from and including the date of each borrowing under the credit facility, compounded monthly.

		September 30, 2019		
Balance – January 1, 2019	CAD	$ 11,205,397	USD	$8,213,896
Drawdowns		2,312,288		1,966,931
Interest accrued in period		1,568,534		1,187,682
Principal and interest paid in period		(15,086,219)		(11,368,509)
Balance – September 30, 2019	CAD	$ -	USD	$ -

		December 31, 2018		
Balance – January 1, 2018	CAD	$ -	USD	$ -
Drawdowns		10,958,712		8,033,069
Interest accrued in period		246,685		180,827
Interest paid in period		-		-
Balance – December 31, 2018	CAD	$ 11,205,397	USD	$ 8,213,896

(Expressed in Canadian Dollars Unless Otherwise Noted)

8. LOANS PAYABLE

At September 30, 2019, the Company did not have any loans payable. The Company received loan proceeds of $1,429,000 and accrued interest of $15,911 during the nine months ended September 30, 2019 and repaid the principal balances of $1,879,000 for all the Company's loans received together with all accrued and unpaid interest totalling $17,538, during the nine months ended September 30, 2019.

At December 31, 2018, the Company had the following loans payable:

	December 31, 2018		
	Maturity	Currency	Amount
Unsecured, 12% annual interest rate (1)	On demand	Canadian dollar	$300,000
Unsecured, 12% annual interest rate (2)	On demand	Canadian dollar	$150,000
			$450,000

(1) $300,000 Unsecured, 12% annual interest rate & finance expense

On December 20, 2018, the Company entered into a loan agreement with an arm's length lender. The principal amount of the loan is $300,000 and is to be used for working capital purposes and bears interest at the rate of 12% per annum. The principal balance of the loan, together with all accrued and unpaid interest thereon shall become due and payable in full on demand. As at December 31, 2018, there was $1,085 interest accrued and payable.

(2) $150,000 Unsecured, 12% annual interest rate & finance expense

On December 20, 2018, the Company entered into a loan agreement with an arm's length lender. The principal amount of the loan is $150,000 and is to be used for working capital purposes and bears interest at the rate of 12% per annum. The principal balance of the loan, together with all accrued and unpaid interest thereon shall become due and payable in full on demand. As at December 31, 2018, there was $542 interest accrued and payable.

9. CAPITAL AND RESERVES

Authorized Share Capital

At September 30, 2019, 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 2019

On June 20, 2019, the Company closed a non-brokered private placement financing through two tranches and raised a total of 6,012,500 units at a price of $0.20 per unit for gross proceeds of $1,202,500. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at $0.30 per share for three years from the date of issue. Finders' fees were paid of $38,500 cash and 192,500 non-transferable warrants exercisable into common shares at $0.30 for three years from the date of issue with a fair value of $7,645. Fair value was calculated using the Black-Scholes pricing model and the following variables for tranche 1: risk-free interest rate – 1.45%, expected stock price volatility – 69.58%, dividend yield – 0%, and expected warrant life – 1.427 years; the following variables for tranche 2: risk-free interest rate – 1.45%, expected stock price volatility – 69.78%, dividend yield – 0%, and expected warrant life – 1.429 years.

9. CAPITAL AND RESERVES (continued)

On March 21, 2019, the Company closed a non-brokered private placement financing through three tranches and raised a total of 15,804,012 units at a price of $0.30 per unit for gross proceeds of $4,741,204. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at $0.40 per share for two years from the date of issue. Included in the first tranche were $250,000 of subscription proceeds that were received prior to December 31, 2018. Finders' fees were paid of $60,091 cash and 196,302 non-transferable warrants exercisable into common shares at $0.40 for two years from the date of issue with a fair value of $15,905. Fair value was calculated using the Black-Scholes pricing model and the following variables for tranche 1: risk-free interest rate – 1.78%, expected stock price volatility – 70.01%, dividend yield – 0%, and expected warrant life – 1.417 years; the following variables for tranche 2: risk-free interest rate – 1.74%, expected stock price volatility – 70.4%, dividend yield – 0%, and expected warrant life – 1.411 years; and the following variables for tranche 3: risk-free interest rate – 1.61%, expected stock price volatility – 70.29%, dividend yield – 0%, and expected warrant life – 1.394 years.

Details of Issues of Common Shares in 2018

3,581,383 warrants were exercised during the year ended December 31, 2018.

4,509,996 warrants that were set to expire on January 28, 2018 were extended to January 28, 2019, and expired on January 28, 2019. These warrants were originally issued on July 26, 2016 as part of the units issued under a private placement completed by the Company on July 2016 and are also subject to an accelerator. The exercise price of the warrants remains at $1.00.

As at December 31, 2018, there were $250,000 (2017 - $Nil) in share subscriptions received, but the shares had not yet been issued.

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. On January 9, 2018, the Stock Option Plan was amended allowing for a maximum total share purchase options of 9,740,920.

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)

9. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the nine months ended September 30, 2019 is as follows:

Expiry date	Exercise Price	December 31, 2018	Granted	Exercised	Expired	September 30, 2019	Options exercisable
March 25, 2019	$0.35	725,000	-	-	(725,000)	-	-
April 16, 2019	$0.35	55,000	-	-	(55,000)	-	-
June 11, 2020	$0.35	1,270,000	-	-	-	1,270,000	1,270,000
April 19, 2021	$0.32	1,005,000	-	-	-	1,005,000	1,005,000
April 27, 2021	$0.42	395,000	-	-	-	395,000	395,000
May 29, 2021	$0.62	15,000	-	-	-	15,000	15,000
June 22, 2022	$0.62	3,490,000	-	-	(100,000)	3,390,000	3,390,000
January 9, 2023	$0.70	2,045,000	-	-	(75,000)	1,970,000	1,970,000
		9,000,000	-	-	(955,000)	8,045,000	8,045,000
Weighted average exercise price $		0.53	-	-	0.41	0.55	0.55
Weighted average contractual remaining life (years)		2.85	-	-	-	2.34	2.34

The continuity of share purchase options for the nine months ended September 30, 2018 is as follows:

Expiry date	Exercise Price	December 31, 2017	Granted	Exercised	Expired	September 30, 2018	Options exercisable
May 9, 2018	$0.51	35,000	-	-	(35,000)	-	-
May 12, 2018	$0.68	150,000	-	-	(150,000)	-	-
March 25, 2019	$0.35	725,000	-	-	-	725,000	725,000
April 16, 2019	$0.35	55,000	-	-	-	55,000	55,000
June 11, 2020	$0.35	1,270,000	-	-	-	1,270,000	1,270,000
April 19, 2021	$0.32	1,005,000	-	-	-	1,005,000	1,005,000
April 27, 2021	$0.42	395,000	-	-	-	395,000	395,000
May 29, 2021	$0.62	15,000	-	-	-	15,000	15,000
June 22, 2022	$0.62	3,490,000	-	-	-	3,490,000	3,490,000
January 9, 2023	$0.70	-	2,045,000	-	-	2,045,000	2,045,000
		7,140,000	2,045,000	-	(185,000)	9,000,000	9,000,000
Weighted average exercise price $		0.49	0.70	-	0.65	0.53	0.53
Weighted average contractual remaining life (years)		3.42	4.28	-	-	3.10	3.10

The weighted average fair value of share purchase options granted during the nine months ended September 30, 2019 is $Nil (2018 - $0.37).

(Expressed in Canadian Dollars Unless Otherwise Noted)

9. CAPITAL AND RESERVES (continued)

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Risk-free interest rate	-	1.94%
Expected option life in years	-	3.1
Expected share price volatility	-	88%
Grant date share price	-	$0.66
Expected forfeiture rate	-	-
Expected dividend yield	-	-

Warrants

The continuity of warrants for the nine months ended September 30, 2019 is as follows:

Expiry date	Exercise Price	December 31, 2018	Issued	Exercised	Expired/ Forfeited	September 30, 2019
January 28, 2019	$1.00	4,509,996	-	-	(4,509,996)	-
February 25, 2021	$0.40	-	11,208,242	-	-	11,208,242
March 5, 2021	$0.40	-	1,307,869	-	-	1,307,869
March 21, 2021	$0.40	-	3,484,203	-	-	3,484,203
June 19, 2022	$0.30	-	4,213,000	-	-	4,213,500
June 20, 2022	$0.30	-	1,992,000	-	-	1,992,000
		4,509,996	22,205,314	-	(4,509,996)	22,205,314
Weighted average exercise price $		1.00	0.37	-	1.00	0.37

The continuity of warrants for the nine months ended September 30, 2018 is as follows:

Expiry date	Exercise Price	December 31, 2017	Issued	Exercised	Expired/ Forfeited	September 30, 2018
May 15, 2018	$0.30	3,306,363	-	(3,032,863)	(273,500)	-
May 15, 2018	$0.33	600,520	-	(548,520)	(52,000)	-
January 28, 2019	$1.00	4,988,175	-	-	(478,179)	4,509,996
		8,895,058	-	(3,581,383)	(803,679)	4,509,996
Weighted average exercise price $		0.69	-	0.30	0.72	1.00

10. 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 director in common 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.

(Expressed in Canadian Dollars Unless Otherwise Noted)

10. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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.

	Nine months ended September 30,	
Transactions	2019 $	2018 $
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	341,450	290,500
Office & sundry	105,445	91,200
Total for services rendered	446,895	381,700

During the nine months ended September 30, 2019, the Company accrued $65,000 (2018 – $Nil) of bonus payments payable to Grosso Group to be distributed when the Company has adequate cash.

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, Vice President of Corporate Development and Corporate Secretary.

		Nine months ended September 30,	
Transactions	**Position**	2019 $	2018 $
Consulting, salaries, and professional fees:			
Joseph Grosso	Chairman/President/CEO	758,350	206,250
Darren Urquhart	CFO	95,000	45,000
Nikolaos Cacos	Director/VP – Corp. Development	330,000	90,000
Brian McEwen	VP Exploration	292,500	142,500
Connie Norman	Corporate Secretary	94,000	64,000
Louis Salley	Director	9,000	18,904
David Terry	Director	66,195	33,025
John Gammon	Director	9,000	9,000
Alfred Hills	Director	33,550	55,925
Total for services rendered		1,687,595	664,604

(Expressed in Canadian Dollars Unless Otherwise Noted)

10. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

		Nine months ended September 30,	
		2019	2018
Transactions	**Position**	$	$
Share-based compensation:			
Joseph Grosso	Chairman/President/CEO	-	111,603
Darren Urquhart	CFO	-	18,600
Nikolaos Cacos	Director/VP – Corp.	-	37,201
Brian McEwen	VP Exploration	-	55,801
Louis Salley	Director	-	55,801
David Terry	Director	-	27,901
John Gammon	Director	-	27,901
Alfred Hills	Director	-	93,002
Total share-based compensation		-	427,810

As at September 30, 2019, there were $118,825 (2018 – $44,342) of costs owed from related corporations for shared services paid by the Company. During the nine months ended September 30, 2019, the Company accrued $1,030,000 (2018 – $Nil) of bonus payments payable to officers and directors to be distributed when the Company has adequate cash.

11. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the three and nine months ended September 30, 2019 and 2018 was based on the following:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
(Loss) earnings attributable to common shareholders ($)	(15,409,758)	(3,778,217)	(18,039,165)	(15,323,141)
Weighted average number of common shares outstanding	114,902,831	98,998,926	104,054,014	95,236,704

The Company incurred a loss attributable to common shareholders for the nine months ended September 30, 2019 and 2018, therefore no dilution occurred.

12. SEGMENTED INFORMATION

The Company's operations are limited to a single reportable segment, being mineral exploration and development. The Company's total non-current assets are segmented geographically as follows:

	September 30, 2019			
	Argentina	Chile	Other	Total
	$	$	$	$
Equipment ($)	36,541	-	-	36,541
Mineral property interests ($)	12,468	865,832	92,907	971,207
	49,009	865,832	92,907	1,007,748

(Expressed in Canadian Dollars Unless Otherwise Noted)

12. SEGMENTED INFORMATION (continued)

	December 31, 2018		
	Argentina $	Chile $	Total $
Equipment ($)	39,250	-	39,250
Investment in Puna Operations Inc. ($)	48,833,847	-	48,833,847
Mineral property interests ($)	7,239	662,439	669,678
	48,880,336	662,439	49,542,775

13. COMMITMENTS

	Year 1 $	Year 2 $	Year 3 $	Year 4-5 $
Management Services Agreement (i)	117,600	588,000	-	-
Office Leases (ii)	41,117	105,128	105,128	8,761

(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 $39,200 per month. This fee is reviewed and adjusted quarterly based on the level of services required. The agreement expires on December 31, 2020 and is automatically renewed for additional terms of two years unless otherwise terminated pursuant to the terms of the agreement.

(ii) Office Leases

The Company entered into two office lease agreements for terms of three years from January 1, 2017 to December 31, 2019, and from January 30, 2019 to January 30, 2022. The Company has the option to renew the leases at the time of expiry for additional terms of three and four years.

14. SUPPLEMENTARY CASH FLOW INFORMATION

	Nine months ended September 30,	
	2019 $	2018 $
Non-cash investing and financing activities:		
Private placements – issuance of warrants	1,163,347	-
Share issue cost – issuance of warrants to agents	23,550	-
Purchase of marketable securities	23,379,536	-
Credit Facility repayment	15,086,219	-
Common shares cancelled	685,714	-
Agents' warrants expired	-	287,142
Stock options expired	149,795	96,653
Warrants expired	1,327,342	35,019
Warrants exercised	-	410,033

(Expressed in Canadian Dollars Unless Otherwise Noted)

15. FINANCIAL INSTRUMENTS

The Company 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 and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

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).

The Company's financial assets consist of cash and cash equivalents, amounts receivable and investments. Investments are carried at fair value and measured as per Level 1 hierarchy. Fair value is determined using closing prices at the balance sheet date with any gains or losses recognized in other comprehensive income. The carrying values of cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments. The fair values of borrowings are not materially different to their carrying amounts, since the interest payable on borrowings is close to current market rates.

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

	Nine months ended September 30,	
	2019	2018
	$	$
Investments, beginning of period	1,732	312,378
Marketable securities received on disposition of investment in POI	23,379,536	-
Disposition of marketable securities	(1,247)	(240,155)
Realized (loss) gain on marketable securities	(12,227)	49,356
Unrealized loss included in other comprehensive income	559,797	(116,959)
Investments, end of period	23,927,591	4,620

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, and amounts receivable.

(Expressed in Canadian Dollars Unless Otherwise Noted)

15. FINANCIAL INSTRUMENTS (continued)

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.

	1 Year $	More than 1 Year $
Accounts payable and accrued liabilities	1,853,627	-

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include cash accounts, amounts receivable and accounts payable in: US dollars and Argentine Pesos. 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, 2019 is summarized as follows:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by $2,500.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $700.
- A 10% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $3,000.

(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.

16. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of shareholders' equity and loans. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitor and review actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are insufficient to carry out our exploration plans and support operations through the current operating period. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments.

17. SUBSEQUENT EVENTS

Option Payment Atlantida Project

Subsequent to September 30, 2019, the Company elected not to proceed with $400,000 payment due on October 3, 2019 for one of the two option agreements, thus relinquishing a portion of the project.