GOLDEN ARROW RESOURCES CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 AND 2013

Introduction

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed consolidated interim financial statements of Golden Arrow Resources Corporation ("Golden Arrow" or "the Company") for the nine months ended September 30, 2014 and 2013 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of November 27, 2014.

Company Overview

Golden Arrow Resources Corporation was created on July 7, 2004, as a result of a corporate restructuring plan (the "Reorganization") completed by Kobex Minerals Inc. ("Kobex") (formerly IMA Exploration Inc.). Shareholders of Kobex were issued one share of the Company for every ten shares of Kobex held. The address of the Company's registered office is Suite 709 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6.

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

Principal Properties

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

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

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

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

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

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

2. Chinchillas Silver-Lead-Zinc Project, Jujuy

2.1 Background

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

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

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

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

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

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

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

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

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

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

Prior to starting more drilling, it was determined that the size of the resource, the favorable geometry of the deposit to open pit mining, the encouraging preliminary metallurgical test results, and the good infrastructure at the property offered the Company an opportunity to complete a Preliminary Economic Assessment (PEA) to provide investors and interested parties with a baseline for the potential economics of the Project. This study was undertaken in the fourth quarter of 2013 and the results were announced in a news release dated December 5th 2013. The NI 43-101 technical report was filed on SEDAR dated January 20th, 2014.

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

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

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

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

2.2 Third Quarter and Subsequent Events

2.2.1 Resource Estimate

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

Table 1. Mineral Resource Statement for the Chinchillas Project. August 29th, 2014.
By Kyle Howie, MAIG, Bruce Davis, FAusIMM, Bruce Smith MAusIMM

Resource Class/Zone	Tonnage (Mt)	Ag (g/t)	Pb (%)	Zn (%)	AgEq (g/t)	Ag (Moz)	Pb (Mlbs)	Zn (Mlbs)	AgEq (Moz)
Indicated Resources									
Silver Mantos	12.6	84.7	0.48	0.45	113.4	34.2	131.7	123.4	45.8
Mantos Basement	12.1	98.2	0.83	0.16	129.0	38.2	219.8	43.2	50.1
Total Indicated Resources	**24.6**	**91.3**	**0.65**	**0.31**	**121.1**	**72.3**	**351.5**	**166.6**	**95.9**
Inferred Resources									
Silver Mantos	6.2	60.1	0.59	0.62	97.8	11.9	80.3	83.7	19.4
Mantos Basement	5.3	98.8	0.85	0.11	128.8	16.7	98.9	13.1	21.8
Socavon del Diablo	7.3	27.3	0.44	1.13	76.2	6.4	70.3	182.8	17.9
Socavon Basement	3.2	49.9	0.62	0.72	91.6	5.2	44.6	51.3	9.6
Total Inferred Resources	**22.0**	**56.9**	**0.61**	**0.68**	**97.1**	**40.2**	**294.1**	**330.9**	**68.7**

Notes:

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

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

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

2.2.2 Preliminary Economic Assessment

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

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

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

2.2.2.1 Project Development Plan

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

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

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

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

2.2.2.2 Project Economics

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

Table 2. Cash Flow Analysis Summary

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

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

Table 3. Financial Analysis

	Before Tax	**After Tax**
NPV 0% (millions)	$ 883.2	$ 569.6
NPV 5% (millions)	$ 515.2	$ 321.8
NPV 8% (millions)	$ 372.8	$ 225.5
IRR	30.0%	24.3%
Payback period (years)	3.2	3.4

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

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

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

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

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

2.2.2.3 Metallurgy and Processing

Metallurgical test work was undertaken at Bureau Veritas Commodities Canada Ltd. Inspectorate Metallurgical Division and the PEA incorporates test results to July 2014. Samples representing the Mantos Basement (BAS), Silver Mantos (MAN), and Socavon del Diablo (SOC) zones of mineralization have been tested through a locked cycle process and therefore three corresponding ore types were considered in the PEA. The Socavon basement zone is newly identified and has not yet been subject to metallurgical testing, however the mineralization of that zone is similar to that of Mantos Basement and therefore for the purposes of the PEA it was considered to behave in a similar fashion and be part of ore type 1 "BAS". The samples have demonstrated amenability to selective flotation and yielded commercial concentrates by conventional methods, and there are no significant penalty elements in the concentrates. The metallurgical test work completed to date is preliminary, and on-going work will look at more detailed sampling and testing of all mineralization types.

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

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

Table 6. Recovery Assumptions for Payable Metals

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

2.2.2.4 Infrastructure

With the Silver Standard's Pirquitas operation 30 kilometres away, good infrastructure to support mining is in place and the Project has two all season access routes. Power is available at the nearby village of Santo Domingo; however it is not sufficient for the mining operation and project development would require additional power supplies to be sourced. It is assumed that a new high voltage (69 kV) power line would be constructed from Abra Pampa to the project site, a distance of 66 km. Water for future processing operations will be sourced from local and regional wells. Site water management facilities will include diversion channels for non-contact water and collection channels for contact water. Water will be conserved and recycled to the maximum extent possible. Chinchillas will produce thickened tailings that will be stored within a lined tailings impoundment that will be constructed and expanded in stages using mine waste rock to distribute expenditures over the life of the mine.

2.2.2.5 Economic Sensitivity

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

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

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

The sensitivity analysis indicates that the project demonstrates positive economics at all three silver price scenarios.

2.2.2.6

The updated NI 43-101 Technical Report for the PEA will be filed on SEDAR within 45 days of October 30th 2014. The report is being coordinated by independent consultant Ken Kuchling, P.Eng., a mining engineer specializing in economic reviews and an independent Qualified Person as defined in NI 43-101. Additional contributing Qualified Persons on the report will include:

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

3. Mogote Property, San Juan

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

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

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

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

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

4. Potrerillos Gold-Silver Project, San Juan

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

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

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

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

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

No work was carried out on the Potrerillos property during 2013. The property remains permitted, in good standing, and the Company is seeking an option or joint venture partner for the project.

5. Pescado Gold Project, San Juan

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

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

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

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

6. Caballos, La Rioja

On September 8, 2011 Golden Arrow announced it had acquired the approximately 22,900 ha. Caballos Project through staking. The property is located in a prospective porphyry copper and epithermal gold-silver district along the Chilean border in western La Rioja Province.
The Company has completed two initial prospecting and sampling campaigns on Caballos, identifying a new high-grade porphyry copper showing, the Caballos Copper Zone, and the Refugio de Plata Zone, a partially exposed vein/breccia silver target.

Highlights from limited initial sampling include:

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

On January 30, 2012 Golden Arrow announced it had staked a new license, Ritsuko (3,237 ha), and the Company's total land holdings in the prospective Caballos district now stands at approximately 25,195 ha. The Company completed bulldozer road access in January along with trenching and sampling. Talus fine sampling has defined a 1.4 km anomalous zone with up to 1,667 ppm Cu and up to 150 ppb Au.

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

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

7. Don Bosco, La Rioja

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

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

Highlights for each zone include:

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

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

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

Selected Annual Financial Information

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

	Years Ended December 31,		
	2013 $	2012 $	2011 $
Royalty revenue	Nil	1,944,806(1)	2,238,979
Net (loss) income for the year	(6,743,719)(4)	12,693,358(2)	(2,655,934)
(Loss) earnings per share – basic and diluted	(0.16)	0.23	(0.05)
Total Assets	8,009,791(5)	14,763,742(3)	5,872,106

(1) Decrease in royalty revenue during 2012 compared to 2011 due to the sale of the royalty interest on Yamana Gold Inc.'s Gualcamayo gold mine on November 9, 2012 to Premier Royalty Inc.

(2) Includes $16,258,188 in gain on sale of royalty and $1,944,806 in royalty income partially offset by $5,542,666 in loss from operating activities (which includes $3,208,163 in exploration expenditures during 2012).

(3) The increase is primarily related to an increase in cash, short-term investments and investments of $9,613,398 partially offset by a decrease in deposit of $50,000 and other receivables of $234,532.

(4) The decrease is primarily related to decreases in gain on sale of royalty of $16,258,188 and $1,944,806 in royalty income partially offset by $6,855,911 in loss from operating activities (which includes $3,974,791 in exploration expenditures during 2013).

(5) The decrease is primarily related to decreases in cash and short-term investments of $6,979,805 partially offset by an increase in mineral property interests of $365,418.

Results of Operations – For the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013

Loss from operating activities

During the nine months ended September 30, 2014, loss from operating activities increased by $1,460,280 to $6,869,647 compared to $5,409,367 for the nine months ended September 30, 2013. The increase in loss from operating activities is largely due to:

- An increase of $1,488,735 in exploration. Exploration expense was $4,708,933 for the nine months ended September 30, 2014 compared to $3,220,198 for the nine months ended September 30, 2013. The Company undertook its Phase III diamond drill program, completing 8,985m of a planned 9,000m drill program and completed a new resource estimate at its Chinchillas project in Jujuy, Argentina during the nine months ended September 30, 2014 compared to the completion of its Phase II drill program consisting of 7,286m drilled as well as additional exploration drilling, surface mapping, ground magnetic geophysical surveys, metallurgical testing, geological modeling, an independent NI 43-101 Technical Report, and commenced preliminary engineering studies at its Chinchillas project in Jujuy, Argentina during the nine months ended September 30, 2013.

- An increase of $54,255 in office and sundry. Office and sundry was $181,704 for the nine months ended September 30, 2014 compared to $127,449 for the nine months ended September 30, 2013. The Company was charged a higher amount for its usage relating to Grosso Group's costs due to increased activity during the nine months ended September 30, 2014 compared to a lower amount for its usage relating to Grosso Group's costs due to less activity during the nine months ended September 30, 2013.

- An increase of $286,397 in share-based compensation. Share-based compensation was $315,655 for the nine months ended September 30, 2014 compared to $29,258 for the nine months ended September 30, 2013. The increase is due to 2,605,000 fully vested stock options granted and the incremental vesting of 300,000 stock options granted during the nine months ended September 30, 2014 compared to 200,000 fully vested stock options granted during the nine months ended September 30, 2013.

These increases were partially offset by:

- A decrease of $141,357 in salaries and employee benefits plus administration and management services. Salaries and employee benefits plus administration and management services were $841,538 for the nine months ended September 30, 2014 compared to $982,895 for the nine months ended September 30, 2013. The decrease is due to fewer executives and related compensation and no one-time performance bonus or severance payments made for the nine months ended September 30, 2014 compared to the hiring of a new Vice President Exploration and Development, increased staff levels and related compensation, and a one-time performance bonus of $50,000 and severance of $110,378 paid to the former Chief Financial Officer, and severance of $62,500 paid to the former Chief Executive Officer during the nine months ended September 30, 2013.

- A decrease of $137,922 in corporate development and investor relations. Corporate development and investor relations was $318,963 for the nine months ended September 30, 2014 compared to $456,885 for the nine months ended September 30, 2013. The Company undertook a lesser number of activities relating to promotion of the Company's projects during the nine months ended September 30, 2014 compared to a greater number of activities relating to promotion of the Company's projects, with primary emphasis on its completed drill program and resource estimate on the Chinchillas property, during the nine months ended September 30, 2013.

- A decrease of $73,014 in travel and accommodation. Travel and accommodation was $137,794 for the nine months ended September 30, 2014 compared to $210,808 for the nine months ended September 30, 2013. Less travel was required due to decreased business development activity during the nine months ended September 30, 2014 compared to a greater amount of travel required due to increased business development activity during the nine months ended September 30, 2013.

Other items

During the nine months ended September 30, 2014, other items increased by $612,155 to $678,233 compared to $66,078 for the nine months ended September 30, 2013. The increase in other items is largely due to:

- An increase of $748,966 in foreign exchange gain. Foreign exchange gain was $726,256 for the nine months ended September 30, 2014 compared to a foreign exchange loss of $22,710 for the nine months ended September 30, 2013. The increase is due to the purchase and sale of Argentinean government bonds, for the purpose of funding the Company's Argentinean subsidiary, exchanged at favorable foreign exchange rates resulting from the fluctuation of the Argentinean Peso and US dollar against the Canadian dollar during the period. No such similar transactions took place during the nine months ended September 30, 2013.

- An increase of $65,694 in loss on sale of marketable securities. Loss on sale of marketable securities was $65,694 for the nine months ended September 30, 2014 compared to $Nil in loss on sale of marketable securities for the nine months ended September 30, 2013. The increase is due to the purchase and sale of Argentinean government bonds, for the purpose of funding the Company's Argentinean subsidiary, at less favorable prices resulting from the fluctuation of the Argentinean bond market during the nine months ended September 30, 2014 compared to no such transactions undertaken during the nine months ended September 30, 2013.

- A decrease of $60,198 in interest income. Interest income was $17,671 for the nine months ended September 30, 2014 compared to $77,869 in interest income for the nine months ended September 30, 2013. The Company maintained less interest bearing cash balances during the nine months ended September 30, 2014 compared to larger interest bearing cash balances during the nine months ended September 30, 2013.

The net loss for the nine months ended September 30, 2014 was $6,191,414 or $0.15 per basic and diluted share compared to $5,343,289 or $0.13 per basic and diluted share for the nine months ended September 30, 2013.

Cash Flow

Operating Activities

Cash outflow from operating activities was $6,752,009 for the nine months ended September 30, 2014 compared to $5,536,709 for the nine months ended September 30, 2013. The increase in cash outflow results primarily from higher corporate and administrative cash costs, and changes in non-cash working capital balances due to timing of receipt and payment of cash compared to the prior period.

Investing Activities

Cash inflow from investing activities was $1,666,732 for the nine months ended September 30, 2014 compared to $5,683,426 for the nine months ended September 30, 2013. Mineral property expenditures were $244,575 during the nine months ended September 30, 2014 compared to $347,493 during the nine months ended September 30, 2013 primarily due to the option payments on the Chinchillas property during these respective periods. The Company purchased marketable securities of $2,939,180 and disposed marketable securities of $3,600,487 during the nine months ended September 30, 2014 compared to no similar transactions during the nine months ended September 30, 2013. The Company redeemed short-term investments of $Nil and purchased short-term investments of $Nil during the nine months ended September 30, 2014 compared to redemptions of short-term investments of $14,550,000 and purchases of short-term investments of $8,500,000 during the nine months ended September 30, 2013. Proceeds from the exercise of warrant put right was $1,250,000 during the nine months ended September 30, 2014 compared to $Nil during the nine months ended September 30, 2013. Property and equipment expenditures were $Nil during the nine months ended September 30, 2014 compared to $30,000 during the nine months ended September 30, 2013. Proceeds from the sale of property and equipment were $Nil during the nine months ended September 30, 2014 compared to $10,919 during the nine months ended September 30, 2013.

Financing Activities

Cash inflow from financing activities was $966,642 for the nine months ended September 30, 2014 compared to $Nil for the nine months ended September 30, 2013. Repurchases of common shares were $172,234 and share repurchase costs were $1,909 relating to the Company's share repurchase program for the nine months ended September 30, 2014 compared to no similar share repurchases for the nine months ended September 30, 2013. Issuance of common shares for drilling services was $1,140,785, pursuant to the terms of a shares for services agreement entered into on March 10, 2014, for the nine months ended September 30, 2014 compared to $Nil for the nine months ended September 30, 2013

Results of Operations – For the three months ended September 30, 2014 compared to the three months ended September 30, 2013

Loss from operating activities

During the three months ended September 30, 2014, loss from operating activities increased by $352,042 to $1,426,480 compared to $1,074,438 for the three months ended September 30, 2013. The increase in loss from operating activities is largely due to:

- An increase of $186,658 in exploration. Exploration expense was $735,674 for the three months ended September 30, 2014 compared to $549,016 for the three months ended September 30, 2013. The Company completed a new resource estimate at its Chinchillas project in Jujuy, Argentina during the three months ended September 30, 2014 compared to the completion of geological modeling and an independent NI 43-101 Technical Report for its Chinchillas project in Jujuy, Argentina during the three months ended September 30, 2013.

- An increase of $83,424 in salaries and employee benefits plus administration and management services. Salaries and employee benefits plus administration and management services were $320,428 for the three months ended September 30, 2014 compared to $237,004 for the three months ended September 30, 2013. The Company was charged a higher amount for its usage relating to Grosso Group's costs due to increased administration and management of the Company's activities during the three months ended September 30, 2014 compared to a lower amount for its usage relating to Grosso Group's costs due to less administration and management of the Company's activities during the three months ended September 30, 2013.

- An increase of $28,061 in office and sundry. Office and sundry was $66,148 for the three months ended September 30, 2014 compared to $38,087 for the three months ended September 30, 2013. The Company was charged a higher amount for its usage relating to Grosso Group's costs due to increased activity during the three months ended September 30, 2014 compared to a lower amount for its usage relating to Grosso Group's costs due to less activity during the three months ended September 30, 2013.

Other items

During the three months ended September 30, 2014, other items increased by $229,758 to $231,279 compared to $1,521 for the three months ended September 30, 2013. The increase in other items is largely due to:

- An increase of $270,556 in foreign exchange gain. Foreign exchange gain was $252,933 for the three months ended September 30, 2014 compared to a foreign exchange loss of $17,623 for the three months ended September 30, 2013. The increase is due to the purchase and sale of Argentinean government bonds, for the purpose of funding the Company's Argentinean subsidiary, exchanged at favorable foreign exchange rates resulting from the fluctuation of the Argentinean Peso and US dollar against the Canadian dollar during the period. No such similar transactions took place during the three months ended September 30, 2013.

- An increase of $22,155 in loss on sale of marketable securities. Loss on sale of marketable securities was $22,155 for the three months ended September 30, 2014 compared to $Nil in loss on sale of marketable securities for the three months ended September 30, 2013. The increase is due to the purchase and sale of Argentinean government bonds, for the purpose of funding the Company's Argentinean subsidiary, at less favorable prices resulting from the fluctuation of the Argentinean bond market during the three months ended September 30, 2014 compared to no such transactions undertaken during the three months ended September 30, 2013.

The net loss for the three months ended September 30, 2014 was $1,195,201 or $0.03 per basic and diluted share compared to $1,072,917 or $0.03 per basic and diluted share for the three months ended September 30, 2013.

Cash Flow

Operating Activities

Cash outflow from operating activities was $3,094,441 for the three months ended September 30, 2014 compared to $1,168,307 for the three months ended September 30, 2013. The increase in cash outflow results primarily from higher corporate and administrative cash costs, and changes in non-cash working capital balances due to timing of receipt and payment of cash compared to the prior period.

Investing Activities

Cash inflow from investing activities was $1,318,341 for the three months ended September 30, 2014 compared to $1,201,369 for the three months ended September 30, 2013. Mineral property expenditures were $196,744 during the three months ended September 30, 2014 compared to $298,631 during the three months ended September 30, 2013 primarily due to the option payments on the Chinchillas property during these respective periods. Proceeds from the exercise of the warrant put right were $1,250,000 during the three months ended September 30, 2014 compared to $Nil during the three months ended September 30, 2013. The Company purchased marketable securities of $1,125,885 and disposed of marketable securities of $1,390,970 during the three months ended September 30, 2014 compared to no similar transactions during the three months ended September 30, 2013. The Company redeemed short-term investments of $Nil during the three months ended September 30, 2014 compared to redemptions of short-term investments of $1,500,000 during the three months ended September 30, 2013.

Financing Activities

Cash inflow from financing activities was $1,140,785 for the three months ended September 30, 2014 compared to $Nil for the three months ended September 30, 2013 resulting from the issuance of common shares for drilling services of $1,140,785, pursuant to the terms of a shares for services agreement entered into on March 10, 2014, for the three months ended September 30, 2014 compared to $Nil for the three months ended September 30, 2013.

Balance Sheet

At September 30, 2014, the Company had total assets of $2,912,119 compared with $8,009,791 in total assets at December 31, 2013. The decrease primarily results from a decrease in cash and cash equivalents of $5,361,706 due to exploration expenditures and on-going corporate and administrative cash costs.

Selected Quarterly Financial Information

	2014			2013				2012
	Sep. 30 $	Jun. 30 $	Mar. 31 $	Dec. 31 $	Sep. 30 $	Jun. 30 $	Mar. 31 $	Dec. 31 $
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	201,473[(1)]
Net (Loss) Income	(1,195,201)[(9)]	(2,998,812)[(8)]	(1,997,401)[(7)]	(1,400,430)[(6)]	(1,072,917)[(5)]	(1,761,366)[(4)]	(2,509,006)[(3)]	14,695,031[(2)]
Net (Loss) Income per Common Share Basic and Diluted	(0.03)	(0.07)	(0.05)	(0.03)	(0.03)	(0.04)	(0.06)	0.28

(1) Decrease resulting from the sale of the Company's 1% NSR from Yamana's Gualcamayo gold mine to Premier Royalty.
(2) Increase driven by gain on sale of royalty of $16,258,188 offset by increases in exploration of $334,382, foreign exchange loss of $154,077, and a decrease in royalty income of $395,714.
(3) Decrease primarily driven by a decrease in gain on sale of royalty of $16,258,188 and increase in exploration expenditures of $793,626.
(4) Decrease primarily driven by a decrease in exploration expenditures of $753,022, and salaries and employee benefits and management services of $132,813 partially offset by an increase in corporate development and investor relations of $80,560 and foreign exchange loss of $36,823.
(5) Decrease primarily driven by a decrease in exploration expenditures of $410,064, salaries and employee benefits and management services of $69,535 and corporate development and investor relations of $120,836.
(6) Increase primarily driven by an increase in exploration expenditures of $205,577, professional fees of $74,637 and corporate development and investor relations of $17,958.
(7) Increase primarily driven by an increase in exploration expenditures of $686,761, foreign exchange gain of $280,942 and share-based compensation of $264,903 partially offset by a decrease in professional fees of $68,985.
(8) Increase primarily driven by an increase in exploration expenditures of $1,140,353.
(9) Decrease primarily driven by a decrease in exploration expenditures of $1,821,132.

Liquidity and Capital Resources

The Company has experienced recurring operating losses and has accumulated an operating deficit of $21,469,614 at September 30, 2014 (December 31, 2013 - $15,278,200) and shareholders' equity of $2,676,632 at September 30, 2014 (December 31, 2013 –$7,578,819). In addition, the Company had working capital of $841,356 at September 30, 2014 (December 31, 2013 – $5,949,501). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors raise substantial 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 to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals. The Company's consolidated financial statements do not include adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

As the Company is an exploration stage company, revenues have been limited to interest earned on cash held with the Company's financial institutions. For the nine months ended September 30, 2014, the Company recorded interest income of $17,671, resulting from maintaining lower interest bearing cash balances during the period, compared to $77,869 for the nine months ended September 30, 2013.

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

Commitments

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Management Services Agreement	255,000	-	-	-	-

Management Services Agreement

On April 1, 2010, the Company entered into an Agreement with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by an officer and director of the Company and also has another common director with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current monthly fee is $85,000 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

Chinchillas Option Agreement

Under the terms of the Chinchillas Option Agreement, signed August 3, 2011, Golden Arrow may acquire a 100% interest in the Chinchillas project by making additional cash payments to the vendor totaling $1,204,000 over the next two years, as shown below:

Option Payment USD $	Date
6,000	October 21, 2014
6,000	November 21, 2014
6,000	December 21, 2014
6,000	January 21, 2015
6,000	February 21, 2015
6,000	March 21, 2015
6,000	April 21, 2015
6,000	May 21, 2015
6,000	June 21, 2015
250,000	July 6, 2015
900,000	July 21, 2015
1,204,000	

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

Capital Stock

At September 30, 2014, the Company had unlimited authorized common shares without par value.

As at September 30, 2014, an aggregate of 41,159,789 common shares were issued and outstanding. As at November 20, 2014, 41,159,789 common shares were issued and outstanding.

Details of Issues of Common Shares in 2014

On March 10, 2014, the Company announced the proposed issuance of the Company's common shares to a drilling company for drilling services pursuant to the terms of a shares for services agreement (the "Agreement") executed by the parties. Up to 15,000 meters of the 25,000 meter (82,000 feet) drilling program announced February 28, 2014 shall be paid for by issuing up to a total of 1,260,504 common shares of the Company subject to TSX Venture exchange approval. The issued shares will be escrowed pursuant to the terms of a voluntary escrow agreement, and will be released upon the earlier of the date of completion of the drilling services or the expiry of three years following the date of the Agreement.

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

Common Share Repurchases

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

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

The Company has no warrants outstanding as at November 27, 2014.

The following summarizes information about the Company’s share options outstanding and exercisable as at November 27, 2014:

Number of Shares		Exercise Price	
Outstanding	Exercisable	(CAD$)	Expiry Date
100,000	100,000	$0.36	March 31, 2015
150,000	150,000	$0.36	April 22, 2015
835,000	835,000	$0.35	October 1, 2015
75,000	75,000	$0.38	October 29, 2015
820,000	820,000	$0.40	November 4, 2015
150,000	150,000	$0.32	November 25, 2015
50,000	50,000	$0.30	June 24, 2017
200,000	200,000	$0.32	November 25, 2017
200,000	200,000	$0.31	November 29, 2017
200,000	200,000	$0.35	May 28, 2018
2,505,000	2,430,000	$0.35	March 25, 2019
380,000	342,500	$0.35	April 16, 2019
20,000	20,000	$0.35	April 30, 2019
5,685,000	5,572,500		

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Related Party Balances and Transactions

On April 1, 2010, the Company entered into a Management Services Agreement ("Agreement") with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by an officer and director of the Company and also has another common director with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The initial fee based on expected usage was $50,000 per month. This fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expired on December 31, 2012 and was automatically renewed for a period of two years pursuant to the terms of the Agreement. The Agreement contains termination and early termination fees in the event the services are terminated by the Company.

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

	Three months ended September 30,		Nine months ended September 30,	
Transactions	2014 $	2013 $	2014 $	2013 $
Services rendered:				
Grosso Group Management Ltd.				
Administration and management services[(1)]	144,300	61,500	308,700	198,600
Rent, parking and storage[(1)]	67,200	54,600	173,400	159,600
Office & sundry[(1)]	36,000	19,500	100,200	70,500
Total for services rendered	247,500	135,600	582,300	428,700

Mr. Joseph Grosso

Mr. Joseph Grosso, a director and officer of the Company, received share-based benefits of $55,298 for the nine months ended September 30, 2014 (nine months ended September 30, 2013 - $Nil).

Oxbow International Marketing Corp. ("Oxbow") is a private company controlled by Mr. Joseph Grosso. For the three months ended September 30, 2014, Oxbow was paid $31,250 (three months ended September 30, 2013 - $31,250) for management consulting services. For the nine months ended September 30, 2014, Oxbow was paid $93,750 (nine months ended September 30, 2013 - $93,750) for management consulting services. Amounts paid to Oxbow are classified as salaries and employee benefits in the consolidated statements of loss and comprehensive loss.

At September 30, 2014, the Company had $32,949 (September 30, 2013 - $Nil) included in accounts payable and accrued liabilities to Oxbow.

Mr. Nikolaos Cacos

Mr. Nikolaos Cacos, a director of the Company, received share-based benefits of $22,120 for the nine months ended September 30, 2014 (nine months ended September 30, 2013 - $Nil).

Cacos Consulting Ltd. ("Cacos Consulting") is a private company controlled by Mr. Nikolaos Cacos. For the three months ended September 30, 2014, Cacos Consulting was paid $43,750 (three months ended September 30, 2013 - $30,000) for management consulting services. For the nine months ended September 30, 2014, Cacos Consulting was paid $103,750 (nine months ended September 30, 2013 - $60,000) for management consulting services. Amounts paid to Cacos Consulting are classified as administration and management services in the consolidated statements of loss and comprehensive loss.

Dr. David Terry

Dr. David Terry, a director and former officer to the Company, was paid directors and audit committee chair fees of $4,000 for the three months ended September 30, 2014 (three months ended September 30, 2013 - $3,000). Dr. David Terry was paid directors and audit committee chair fees of $12,000 for the nine months ended September 30, 2014 (nine months ended September 30, 2013 - $9,000) and received share-based benefits of $11,060 for the nine months ended September 30, 2014 (nine months ended September 30, 2013 - $Nil).

Vinland Holdings Ltd. ("Vinland") is a private company controlled by Dr. David Terry. For the three months ended September 30, 2014, Vinland was paid $5,550 (three months ended September 30, 2013 - $675) for geological services. For the nine months ended September 30, 2014, Vinland was paid $11,175 (nine months ended September 30, 2013 - $5,625) for geological services. Amounts paid to Vinland are classified as administration and management services in the consolidated statements of loss and comprehensive loss.
At September 30, 2014, the Company had $3,125 (September 30, 2013 - $1,450) included in accounts payable and accrued liabilities to Vinland.

Mr. Louis Salley

Mr. Louis Salley, a director of the Company, was paid directors fees of $3,000 for the three months ended September 30, 2014 (three months ended September 30, 2013 - $Nil). Mr. Louis Salley was paid directors fees of $9,000 for the nine months ended September 30, 2014 (nine months ended September 30, 2013 - $Nil) and received share-based benefits of $16,589 for the nine months ended September 30, 2014 (nine months ended September 30, 2103 - $Nil). Amounts paid to Mr. Louis Salley are classified as salaries and employee benefits in the consolidated statements of loss and comprehensive loss.

Salley Bowes Harwardt Law Corp. ("Salley Bowes Harwardt") is a private company of which Mr. Louis Salley is an owner. For the three months ended September 30, 2014, Salley Bowes Harwardt was paid $4,765 (three months ended September 30, 2013 - $15,458) for legal services. For the nine months ended September 30, 2014, Salley Bowes Harwardt was paid $36,824 (nine months ended September 30, 2013 - $52,762) for legal services. Amounts paid to Salley Bowes Harwardt are classified as professional fees in the consolidated statements of loss and comprehensive loss.

Mr. John Gammon

Mr. John Gammon, a director of the Company, was paid directors and corporate governance committee chair fees of $7,000 for the three months ended September 30, 2014 (three months ended September 30, 2013 - $7,000). For the nine months ended, Mr. John Gammon was paid directors and corporate governance committee chair fees of $13,000 (nine months ended September 30, 2013 - $13,000) and received share-based benefits of $8,295 for the nine months ended September 30, 2014 (nine months ended September 30, 2103 - $Nil).

Key management personnel compensation

	Three months ended September 30, 2014				Three months ended September 30, 2013			
Compensation	Salaries $	Share-based benefits $	Other $	Total $	Salaries $	Share-based benefits $	Other $	Total $
Chief Executive Officer	31,250	-	-	31,250	31,250	-	-	31,250
Chief Financial Officer	15,000	-	-	15,000	12,000	-	-	12,000
Total	46,250	-	-	46,250	43,250	-	-	43,250

Compensation	Nine months ended September 30, 2014 Salaries $	Share-based benefits $	Other $	Total $	Nine months ended September 30, 2013 Salaries $	Share-based benefits $	Other $	Total $
Chief Executive Officer	93,750	55,298	-	149,048	125,000	-	62,500(1)	187,500
Chief Financial Officer	41,000	9,717	-	50,717	39,495	14,629	160,378(2)	214,502
Total	134,750	65,015	-	199,765	164,495	14,629	222,878	402,002

(1) Includes a severance payment of $62,500 to the former Chief Executive Officer during the nine months ended September 30, 2013.

(2) Includes a one-time performance bonus of $50,000 and a severance payment of $110,378 paid to the former Chief Financial Officer during the nine months ended September 30, 2013.

Subsequent Events

Memorandums of Understanding

On November 18, 2014, the Company announced that it has entered into Memorandums of Understanding ("MOUs") that outline the proposed issuance of 1,216,683 common shares of the Company as consideration for an additional 6,400 meters of drilling and drill related support services on the Company's Chinchillas project. Additionally, up to $1,220,455 in cash may be advanced to the Company for the proposed issuance of 884,112 common shares.

The proposed issuance of common shares in payment for the drilling services and cash is subject to TSX Venture Exchange approval. All common shares issued in connection with this payment will be subject to a four month hold period.

Critical Accounting Estimates and Recent Accounting Pronouncements

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

Reference should be made to the Company's significant accounting policies contained in Note 2 of the Company's condensed consolidated interim financial statements for the nine months ended September 30, 2014. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

Share-based Payment Transactions

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

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

Exploration, Evaluation and Development Expenditures

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

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

Impairment

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

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

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

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

Changes in Accounting Standards

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

IAS 36 *Financial Instruments: Presentation*

New Accounting Standards and Interpretations

The International Accounting Standards Board ("IASB") has issued new and amended standards and interpretations which have not yet been adopted by the Company. The 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. In May 2011, the IASB issued IFRS 9, Financial Instruments. The new Standard limits the number of categories for classification of financial assets to two: amortized cost and fair value through profit or loss. IFRS 9 also replaces models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. The required adoption date for IFRS 9 has been deferred and is not expected until January 1, 2017, with early adoption permitted. IFRS 9 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

Financial Instruments

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

(a) Fair Values

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

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

At September 30, 2014 the Company's financial instruments measured at fair value are as follows:

	Carrying amount September 30, 2014	Level 1 $	Level 2 $	Level 3 $
		Fair value September 30, 2014		
Recurring measurements				
Financial Assets				
Marketable securities	13,859	13,859	-	-

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

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

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

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

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

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, short-term investments, share purchase warrants and amounts receivable. The majority of the Company's receivables are with the government of Canada in the form of sales tax, the credit risk is minimal. Overall the Company's credit risk has not changed significantly from the prior year. The Company places its 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 earnings by $8,665.

- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net earnings by $2,357.

(ii) ***Interest rate risk***

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

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

(c) Capital Management

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

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

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

Risk Factors and Uncertainties

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Disclosure Controls and Procedures and Internal Control over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission exempted Venture Issuers from the requirement to certify disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. The Company is a Venture Issuer; therefore it files the venture issuer basic certificates. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109 as at September 30, 2014.

Additional Information

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

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