
Golden Arrow Resources Corporation

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**FOR THE THREE MONTHS ENDED
MARCH 31, 2021 AND 2020**

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

Golden Arrow Resources Corporation
Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2021 \$	December 31, 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents		5,499,294	6,607,721
Investments	6	12,140,173	17,267,825
Amounts receivable	8	148,202	358,517
Prepaid expenses		158,563	134,853
Total current assets		17,946,232	24,368,916
Non-current assets			
Equipment	3	79,260	83,105
Right-of-use assets	4	140,766	167,929
Mineral property interests	5	570,193	382,680
Total non-current assets		790,219	633,714
Total Assets		18,736,451	25,002,630
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	202,746	268,556
Current portion of lease liabilities		107,225	110,322
Total current liabilities		309,971	378,878
Lease liabilities		48,726	71,999
Total liabilities		358,697	450,877
EQUITY			
Share capital	7	38,292,860	38,292,860
Reserves	7	23,736,109	28,514,669
Deficit		(43,651,215)	(42,255,776)
Total equity		18,377,754	24,551,753
Total Equity and Liabilities		18,736,451	25,002,630

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on May 28, 2021. They are signed on the Company's behalf by:

"Nikolaos Cacos" , Director

"David Terry" , Director

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

Golden Arrow Resources Corporation
Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended March 31,	
		2021 \$	2020 \$
Expenses			
Administration and management services	8	115,000	115,000
Corporate development and investor relations		140,670	172,580
Depreciation		27,819	27,819
Exploration	5	625,936	944,464
Office and sundry	8	66,118	76,468
Professional fees		44,190	63,071
Rent, parking and storage		(2,314)	7,155
Salaries and employee benefits	8	218,878	210,696
Share-based compensation		349,092	-
Transfer agent and regulatory fees		14,013	9,063
Travel and accommodation		-	27,215
Loss from operating activities		(1,599,402)	(1,653,531)
Foreign exchange gain		164,110	214,063
Interest expense		(5,470)	(6,667)
Interest income		2,696	-
Dividend income		42,627	-
Loss for the period		(1,395,439)	(1,446,135)
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Change in fair value of marketable securities	6	(5,127,652)	(8,733,840)
Other comprehensive loss for the period		(5,127,652)	(8,733,840)
Comprehensive loss for the period		(6,523,091)	(10,179,975)
Basic and diluted loss per common share (\$)	9	(0.01)	(0.01)

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

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

		Three months ended March 31,	
	Note	2021	2020
		\$	\$
Cash flows from operating activities			
Loss for the period		(1,395,439)	(1,446,135)
Adjustments for:			
Depreciation		27,819	27,819
Depreciation of property and equipment included in exploration expenses		3,189	-
Share-based compensation		349,092	-
		<u>(1,015,339)</u>	<u>(1,418,316)</u>
Change in non-cash working capital items:			
Decrease (increase) in amounts receivable		210,315	(1,812)
Increase in prepaid expenses		(23,710)	(62,093)
(Decrease) increase in accounts payable and accrued liabilities		(65,810)	259,523
Net cash used in operating activities		<u>(894,544)</u>	<u>(1,222,698)</u>
Cash flows from investing activities			
Expenditures on mineral property interests	5	(187,513)	(210,394)
Expenditures on equipment		-	(94,953)
Proceeds of marketable securities, net of transactions costs	6	-	2,218,645
Net cash (used in) generated by investing activities		<u>(187,513)</u>	<u>1,913,298</u>
Cash flows from financing activities			
Lease payments		(26,370)	(24,722)
Net cash used in by financing activities		<u>(26,370)</u>	<u>(24,722)</u>
Net (decrease) increase in cash and cash equivalents		(1,108,427)	665,878
Cash and cash equivalents at beginning of period		6,607,721	2,750,129
Cash and cash equivalents at end of period		5,499,294	3,416,007

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

Golden Arrow Resources Corporation
Consolidated Interim Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves							Total
	Number of shares	Amount \$	Contributed surplus \$	Equity settled share-based payments \$	Warrants \$	Accumulated other comprehensive income \$	Cumulative translation adjustment \$	Subscriptions payable \$	Deficit \$	
Balance at December 31, 2019	119,505,315	38,820,382	16,187,002	2,542,865	1,186,897	6,979,917	-	-	(36,451,420)	29,265,643
Total comprehensive loss for the period	-	-	-	-	-	(8,733,840)	-	-	(1,446,135)	(10,179,975)
Balance at March 31, 2020	119,505,315	38,820,382	16,187,002	2,542,865	1,186,897	(1,753,923)	-	-	(37,897,555)	19,085,668
Repurchases of common shares	(3,147,076)	(521,546)	-	-	-	-	-	-	-	(521,546)
Share repurchase costs	-	(5,976)	-	-	-	-	-	-	-	(5,976)
Stock options cancelled/expired	-	-	293,190	(293,190)	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-	-	10,351,828	-	-	(4,358,221)	5,993,607
Balance at December 31, 2020	116,358,239	38,292,860	16,480,192	2,249,675	1,186,897	8,597,905	-	-	(42,255,776)	24,551,753
Share-based compensation	-	-	-	349,092	-	-	-	-	-	349,092
Warrants and agents' warrants expired	-	-	15,905	-	(15,905)	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(5,127,652)	-	-	(1,395,439)	(6,523,091)
Balance at March 31, 2021	116,358,239	38,292,860	16,496,097	2,598,767	1,170,992	3,470,253	-	-	(43,651,215)	18,377,754

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

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

1. NATURE OF OPERATIONS

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

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

On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as “COVID-19” as a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. Impacts of the COVID-19 outbreak on the Company include, but are not limited the fair value of its investment in SSR Mining Inc. (“SSRM”) (see Note 7), the Company’s ability to raise financing in current capital markets and ability to continue exploration of mineral properties as intended. However, the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods remains uncertain.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Company on May 28, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting (“IAS 34”). Accordingly, certain information and note disclosure included in the annual consolidated financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with the Company’s December 31, 2020 audited annual consolidated financial statements.

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for marketable securities, which are carried at fair value.

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Basis of consolidation

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

	Place of Incorporation	Principal Activity
IMPISA Resources Corporation	BC, Canada	Holding company
New Golden Explorations Inc.	BC, Canada	Holding company
New Golden Explorations Atlantida Ltd.	BC, Canada	Holding company
New Golden Explorations Indiana Ltd.	BC, Canada	Holding company
New Golden Explorations Indiana Chile SpA	Chile	Exploration company
New Golden Explorations Chile SpA	Chile	Exploration company
Lucca S.A.	Paraguay	Exploration company
Desarrollo de Recursos S.A.	Argentina	Exploration company

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

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Significant Accounting Estimates and Judgments

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at period end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

- The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The areas involving critical accounting judgments are:

- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

3. EQUIPMENT

	Vehicles	Other	Total
	\$	\$	\$
Cost			
Balance at December 31, 2019	-	143,963	143,963
Additions	88,153	7,602	95,755
Balance at December 31, 2020 and March 31, 2021	88,153	151,565	239,718
Accumulated Depreciation			
Balance at December 31, 2019	-	111,996	111,996
Depreciation	15,386	29,579	44,617
Balance at December 31, 2020	15,386	141,227	156,613
Depreciation	2,384	1,461	3,845
Balance at March 31, 2021	17,770	142,688	160,458
Carrying Amount			
At December 31, 2020	72,767	10,338	83,105
At March 31, 2021	70,383	8,877	79,260

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. RIGHT-OF-USE ASSETS

During the year ended December 31, 2019, the Company capitalized two office lease arrangements in accordance with IFRS 16. The continuity schedule of right-of-use assets for the three months ended March 31, 2021 is as follows:

	Total
	\$
Cost	
Balance at December 31, 2019	303,597
Additions	-
Balance at December 31, 2020 and March 31, 2021	303,597
Accumulated Depreciation	
Balance at December 31, 2019	27,018
Depreciation	108,650
Balance at December 31, 2020	135,668
Depreciation	27,163
Balance at March 31, 2021	162,831
Carrying Amount	
At December 31, 2020	167,929
At March 31, 2021	140,766

5. MINERAL PROPERTY INTERESTS

The schedules below summarize the carrying costs of acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company is continuing to explore as at March 31, 2021:

Acquisition Costs

	Argentina		Chile		Paraguay		Total
	Flecha de Oro	Indiana	Rosales	Tierra Dorada	Other	\$	
	\$	\$	\$	\$	\$	\$	\$
Balance – December 31, 2019	19,864	220,961	-	103,388	7,240	351,453	
Additions							
Staking costs, land payments and acquisition costs	2,108	197,813	-	10,473	-	210,394	
Balance – March 31, 2020	21,972	418,774	-	113,861	7,240	561,847	
Additions							
Staking costs, land payments and acquisition costs	30,781	-	74,285	134,541	-	239,607	
Impairment of exploration and evaluation assets	-	(418,774)	-	-	-	(418,774)	
Balance – December 31, 2020	52,753	-	74,285	248,402	7,240	382,680	
Additions							
Staking costs, land payments and acquisition costs	5,933	-	-	181,580	-	187,513	
Balance – March 31, 2021	58,686	-	74,285	429,982	7,240	570,193	

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina	Chile		Paraguay	Other	Total
	Flecha de Oro	Indiana	Rosales	Tierra Dorada		
	\$	\$	\$	\$	\$	\$
Cumulative exploration expenses December 31, 2020	1,151,966	932,437	67,919	326,610	10,649,373	13,128,305
Expenditures during the period						
Assays	16,601	-	-	17,182	952	34,735
Drilling	15,715	-	-	-	-	15,715
Office	48,941	11,046	14,400	16,093	401	90,881
Property maintenance payments	3,318	-	7,028	-	12,464	22,810
Salaries and contractors	110,143	-	33,877	64,959	4,837	213,816
Social and community	6,630	-	-	1,264	-	7,894
Supplies and equipment	103,995	-	-	2,247	695	106,937
Transportation	23,286	-	-	1,081	1,648	26,015
Value added taxes	37,386	978	44,844	21,579	2,346	107,133
	366,015	12,024	100,149	124,405	23,343	625,936
Cumulative exploration expenses March 31, 2021	1,517,981	944,461	168,068	451,015	10,672,716	13,754,241

The schedule below summarizes all exploration expenditures incurred to date for each mineral property interest that the Company was continuing to explore as at March 31, 2020:

	Argentina	Chile		Paraguay	Other	Total
	Flecha de Oro	Indiana	Atlantida	Tierra Dorada		
	\$	\$	\$	\$	\$	\$
Cumulative exploration expenses December 31, 2019	215,177	385,581	550,625	31,014	10,026,379	11,208,776
Expenditures during the period						
Assays	17,070	-	-	-	-	17,070
Environmental reports	1,997	-	-	-	-	1,997
Office	2,877	135,674	133,375	9,288	47,756	328,970
Property maintenance payments	131	21,474	2,258	-	11,925	35,788
Salaries and contractors	123,647	266,050	1,887	37,046	42,342	470,972
Social and community	12,489	-	-	-	(9,480)	3,009
Supplies and equipment	15,594	1,635	2,400	2,376	3,578	25,583
Transportation	18,840	1,706	-	10,745	9,579	40,870
Value added taxes	13,624	-	-	-	6,581	20,205
	206,269	426,539	139,920	59,455	112,281	944,464
Cumulative exploration expenses March 31, 2020	421,446	812,120	690,545	90,469	10,138,660	12,153,240

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

(a) Flecha de Oro Project, Rio Negro, Argentina

The Company entered into an option agreement to acquire up to 100% of the Flecha de Oro Gold Project that includes Puzzle and Esperanza exploration properties. The terms of the option agreement include staged payments over seven years totaling US\$2,090,000 for a 100% interest in both properties. The vendor retains 1% royalty, which can be reduced to 0.25% for an additional US\$1,000,000.

Option Payment USD \$	Year
10,000 (paid)	2019
15,000 (paid)	2020
15,000	2021
50,000	2022
100,000	2023
200,000	2024
400,000	2025
500,000	2026
800,000	2027
2,090,000	

The terms of the Maquinchao option agreement include staged payments over four years totaling US\$630,000 for a 100% in the property. The vendor retains 1% net smelter royalty.

Option Payment USD \$	Year
5,000 (paid)	2019
5,000 (paid)	2020
20,000	2021
50,000	2022
250,000	2023
300,000	2024
630,000	

(b) Indiana Project, Chile

The Company executed a definitive agreement with Minería Activa SpA. ("MSA") to acquire up to 100% of the Indiana gold-copper project in Chile. Terms include cash payments of US\$100,000 payment on signing, followed by US\$15,070,000 in payments staged over 74 months.

Option Payment USD \$	Year
100,000 (paid)	2018
70,000 (paid)	2019
150,000 (paid)	2020
150,000	2020
200,000	2021
3,000,000	2022
5,000,000	2023
6,500,000	2024
15,170,000	

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. MINERAL PROPERTY INTERESTS (continued)

During the year ended December 31, 2020, the Company determined that it would not be exploring the Indiana project further based on the exploration work during the year and would discontinue option payments. The Company recorded an impairment of \$418,774 related to previously capitalized acquisition costs.

(c) Rosales Copper Project, Chile

The Company owns a 100% interest in the Rosales Copper Project in Region III, Chile.

(d) Tierra Dorada Project, Paraguay

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

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

6. INVESTMENTS

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

	Three months ended March 31,	
	2021 \$	2020 \$
Investments, beginning of period	17,267,825	26,129,044
Disposition of marketable securities	-	(2,218,645)
Change in fair value of marketable securities	(5,127,652)	(8,733,840)
Investments, end of period	12,140,173	15,176,559

The Company held 675,580 common shares of SSRM at March 31, 2021 (March 31, 2020 – 945,580). The Company realized a cumulative gain of \$Nil in other comprehensive income (loss) on disposal of marketable securities for the three months ended March 31, 2021 (March 31, 2020 - \$341,645).

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. CAPITAL AND RESERVES

Authorized Share Capital

At March 31, 2021, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in 2021

There were no share issuances during the three months ended March 31, 2021.

Details of Issues of Common Shares in 2020

There were no share issuances during the year ended December 31, 2020.

Details of Common Shares Repurchases in 2020

On March 12, 2020, the TSX Venture 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 or other recognized marketplaces at the prevailing market price. The Company can repurchase up to 10,658,050 common shares of the 119,505,315 issued and outstanding common shares available at the date the NCIB commenced.

The NCIB expired and there were no share repurchases during the three months ended March 31, 2021. During the year ended December 31, 2020, the Company acquired and cancelled 3,147,076 of its own common shares for an aggregate purchase price of \$521,546 and common share repurchase costs of \$5,976.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on a fixed number of eligible shares equaling 20% of the Company's outstanding common shares calculated at June 25, 2013, totaling a maximum of 8,364,371 share purchase options. On January 9, 2018, the Stock Option Plan was amended allowing for a maximum total share purchase options of 9,740,920.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX Venture Exchange. Share purchase options granted generally vest immediately, are subject to a four-month hold period and are generally exercisable for a period of five years.

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the three months ended March 31, 2021 is as follows:

Expiry date	Exercise Price	December 31, 2020	Granted	Cancelled/ Expired	March 31, 2020	Options exercisable
April 19, 2021 ⁽¹⁾	\$0.32	1,005,000	-	-	1,005,000	1,005,000
April 27, 2021 ⁽²⁾	\$0.42	395,000	-	-	395,000	395,000
May 29, 2021	\$0.62	15,000	-	-	15,000	15,000
June 22, 2022	\$0.62	3,250,000	-	-	3,250,000	3,250,000
January 9, 2023	\$0.70	1,900,000	-	-	1,900,000	1,900,000
January 19, 2026	\$0.25	-	4,655,000	-	4,655,000	4,655,000
		6,565,000	4,655,000	-	11,220,000	11,220,000
Weighted average exercise price \$		0.59	0.25	-	0.45	0.45
Weighted average contractual remaining life (years)		1.38	5.00	-	2.66	2.66

(1) 1,005,000 stock options with an exercise price of \$0.32 per stock option expired on April 20, 2021.

(2) 395,000 stock options with an exercise price of \$0.42 per stock option expired on April 28, 2021.

The continuity of share purchase options for the three months ended March 31, 2020 is as follows:

Expiry date	Exercise Price	December 31, 2019	March 31, 2020	Options exercisable
June 11, 2020	\$0.35	1,270,000	1,270,000	1,270,000
April 19, 2021	\$0.32	1,005,000	1,005,000	1,005,000
April 27, 2021	\$0.42	395,000	395,000	395,000
May 29, 2021	\$0.62	15,000	15,000	15,000
June 22, 2022	\$0.62	3,390,000	3,390,000	3,390,000
January 9, 2023	\$0.70	1,970,000	1,970,000	1,970,000
		8,045,000	8,045,000	8,045,000
Weighted average exercise price \$		0.55	0.55	0.55
Weighted average contractual remaining life (years)		2.09	1.84	1.84

The weighted average fair value of share purchase options granted during the three months ended March 31, 2021 is \$0.08 (2020 - \$Nil).

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

	Three months ended March 31,	
	2021	2020
Risk-free interest rate	0.33%	-
Expected option life in years	3.52	-
Expected share price volatility ⁽¹⁾	71.33%	-
Grant date share price	\$0.18	-
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

(1) Expected volatility was estimated based on historical trading price.

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Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. CAPITAL AND RESERVES (continued)

Warrants

The continuity of warrants for the three months ended March 31, 2021 is as follows:

Expiry date	Exercise Price	December 31, 2020	Cancelled/ Expired	March 31, 2021
June 19, 2022	\$0.30	4,213,000	-	4,213,000
June 20, 2022	\$0.30	1,992,000	-	1,992,000
February 25, 2023	\$0.40	11,208,242	(156,631)	11,051,611
March 5, 2023	\$0.40	1,307,869	(17,502)	1,290,367
March 21, 2023	\$0.40	3,484,203	(22,169)	3,462,034
		22,205,314	(196,302)	22,009,012
Weighted average exercise price \$		0.37	0.40	0.37

The continuity of warrants for the three months ended March 31, 2020 is as follows:

Expiry date	Exercise Price	December 31, 2019	March 31, 2020
February 25, 2021	\$0.40	11,208,242	11,208,242
March 5, 2021	\$0.40	1,307,869	1,307,869
March 21, 2021	\$0.40	3,484,203	3,484,203
June 19, 2022	\$0.30	4,213,000	4,213,000
June 20, 2022	\$0.30	1,992,000	1,992,000
		22,205,314	22,205,314
Weighted average exercise price \$		0.37	0.37

8. RELATED PARTY BALANCES AND TRANSACTIONS

On June 1, 2017, the Company entered into a Management Services Agreement with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by an officer and director of the Company and also has another director in common with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current monthly fee is \$41,000 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

The Management Services 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. The agreement expires on December 31, 2021 and is automatically renewed for additional terms of two years unless otherwise terminated pursuant to the terms of the agreement. The Company's commitment under this agreement is as follows:

	Year 1	Year 2	Year 3
	\$	\$	\$
Management Services Agreement	369,000	-	-

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8. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Transactions	Three months ended March 31,	
	2021	2020
	\$	\$
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	93,000	93,000
Office & sundry	30,000	50,100
Total for services rendered	123,000	143,100

Key management personnel compensation

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

Transactions	Position	Three months ended March 31,	
		2021	2020
		\$	\$
Consulting, salaries, and professional fees:			
Joseph Grosso	Chairman/President/CEO	68,750	68,750
Darren Urquhart	CFO	15,000	15,000
Nikolaos Cacos	Director/VP – Corp. Development	30,000	30,000
Brian McEwen	VP Exploration	47,500	47,500
Connie Norman	Corporate Secretary	18,000	18,000
Louis Salley	Director	3,000	3,000
David Terry	Director	22,000	22,000
John Gammon	Director	4,000	4,000
Alfred Hills	Director	3,000	3,000
Total for services rendered		211,250	211,250

As at March 31, 2021, there was \$118,434 (2020 – \$167,893) of costs owed from related corporations for shared services paid by the Company. At March 31, 2021, there was \$39,606 (2020 - \$5,663) in accounts payable and accrued liabilities that was due to related corporations.

9. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended March 31, 2021 and 2020 was based on the following:

	Three months ended March 31,	
	2021	2020
Loss attributable to common shareholders (\$)	(1,395,439)	(1,446,135)
Weighted average number of common shares outstanding	116,358,239	119,505,315

The Company incurred a loss attributable to common shareholders for the three months ended March 31, 2021 and 2020, therefore the impact of dilutive securities is anti-dilutive.

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10. SEGMENTED INFORMATION

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

March 31, 2021					
	Canada	Argentina	Chile	Paraguay	Total
	\$	\$	\$	\$	\$
Equipment (\$)	1,968	-	-	77,292	79,260
Mineral property interests (\$)	-	65,925	74,286	429,982	570,193
	1,968	65,925	74,286	507,274	649,453

December 31, 2020					
	Canada	Argentina	Chile	Paraguay	Total
	\$	\$	\$	\$	\$
Equipment (\$)	2,624	-	-	80,481	83,105
Mineral property interests (\$)	-	59,992	74,286	248,402	382,680
	2,624	59,992	74,286	328,881	465,784

11. FINANCIAL INSTRUMENTS

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

(a) Fair Values

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

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

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

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

The Company's financial assets consist of cash and cash equivalents, amounts receivable and investments. Investments are carried at fair value and measured using Level 1 inputs. Fair value is determined using closing prices at the balance sheet date with any gains or losses recognized in other comprehensive income. The carrying values of cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

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For the three months ended March 31, 2021 and 2020

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11. FINANCIAL INSTRUMENTS (continued)

(b) Financial Instrument Risk Exposure

Credit risk

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

Overall the credit risk of the financial assets held by the Company has not changed significantly from the prior period. The Company places its cash and cash equivalents and short-term investments with financial institutions with high credit ratings. Accordingly, 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.

As of March 31, 2021, the Company had working capital of \$17,636,261 (December 31, 2020 - \$23,990,038). 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. The Company believes it has adequate working capital to maintain operations for the next 12 months.

	1 Year	2 Years and more
	\$	\$
Accounts payable and accrued liabilities	202,746	-

Market risk

(i) *Price risk*

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in the market prices. Investments in marketable securities measured at fair value are exposed to changes in share prices that would result in gains or losses recognized in the Company's other comprehensive income. A 10% change in prices would change the Company's other comprehensive loss by \$1,214,000. Volatility in securities market prices have increased as a result of the COVID-19 outbreak. Refer to Note 1 for further information.

(ii) *Currency risk*

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include cash accounts, amounts receivable and accounts payable in: US dollars, Argentine Pesos, Chilean Pesos and Paraguayan Guarani. 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, Argentine Peso, Chilean Peso and Paraguayan Guarani at March 31, 2021 is summarized as follows:

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11. FINANCIAL INSTRUMENTS (continued)

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by \$515,000.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by \$10,500.
- A 10% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by \$5,300.
- A 10% change in the Paraguayan Guarani exchange rate relative to the Canadian dollar would change the Company's net loss by \$700.

(iii) 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. Effect of change in interest rate is not material.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

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

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