Golden Arrow Resources Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

Introduction

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed consolidated interim statements of Golden Arrow Resources Corporation (the "Company" or "Golden Arrow") for the six months ended June 30, 2026 and 2025 and related notes thereto which have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and the accompanying notes for the six months ended June 30, 2026 and 2025 and the audited consolidated financial statements and accompanying notes for the years ended December 31, 2025 and 2024. All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of August 25, 2026.

Company Overview

Golden Arrow 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 411 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6. The Company is listed on the TSX Venture Exchange (TSX-V"), trading under the symbol "GRG", the OTCQX, trading under the symbol "GARWF", and the Frankfurt Stock Exchange, trading under the symbol "G6A".

The Company is a natural resource company engaged in the acquisition, exploration and development of resource properties in South America. The Company is 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 has experienced recurring operating losses and has a deficit of $64,459,919, a working capital of $2,470,286 and shareholders' equity of $7,108,103 at December 31, 2025. In addition, the Company incurred negative cash flow from operating activities of $4,991,919 for the six months ended June 30, 2026. 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's financial position indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations are dependent upon its ability to raise additional funding to meet its obligations as they fall due. 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.

Appointment of New President and CEO

On May 26, 2025, the Company appointed Nikolaos Cacos as President and CEO. Joseph Grosso, who is stepping down from those roles, will continue to serve as a director and Chairman of the Board.

Previously, as Vice President, Corporate Development and a Director for Golden Arrow, Mr. Cacos has played an integral role in the management and development of the Company. Mr. Cacos has held senior level executive roles in all of the Grosso Group companies since the group's inception in 1993. His work with has been essential in seeing those companies through major milestones, including recent transactions with international conglomerates Stellantis N.V. and Corporación América Group.

Principal Assets

Unless otherwise stated, the technical information provided below has been reviewed by Brian McEwen, P.Geol., VP Exploration and Development for the Company, and a Qualified Person as defined under National Instrument 43-101.

1. Chile

On January 12, 2024, Golden Arrow announced that its wholly-owned Chilean subsidiary New Golden Explorations Chile SpA ("NGE"), entered into an option agreement (the "Option Agreement") with Sociedad de Servicios Andinos SpA ("SSA"). Under the Option Agreement, NGE granted SSA the option (the "Option") to subscribe for 333 shares in the capital of NGE (each, a "Share"), equivalent to approximately 25% of the issued and outstanding Shares upon exercise of the Option, subject to the terms and conditions of the Option Agreement. The Shares are not convertible or otherwise exchangeable for common shares of the Company. SSA is non-arm's length to the Company. No finders' fees are payable for this transaction.

On April 29, 2025 Golden Arrow reported that SSA had met the conditions of the Option Agreement and exercised its option. To exercise the Option, SSA contributed US$5,000,000 (in the equivalent amount of Chilean pesos) to NGE, as follows:

i. US$2,000,000 in cash; and
ii. performed drilling services, heavy machinery services, truck rental, as well as other goods or necessary services for the development of field activities at the San Pietro Project with an aggregate value of US$3,000,000.

The Company issued 333 shares in the capital of NGE to SSA during the year ended December 31, 2025.

1.1 San Pietro Iron Oxide-Copper-Gold-Cobalt Project

1.1.1 Ownership

On March 17, 2022, Golden Arrow announced that it had, through NGE, purchased a 100% interest in the 18,448 hectare San Pietro Iron-oxide Copper Gold ("IOCG") Project in Chile from Sumitomo Metal Mining Chile Ltda ("Sumitomo") for cash consideration of US$3,350,000, with a 5% Net Profit Interest ("NPI") retained by Teck Resources Chile Limitada from a 2021 agreement signed with Sumitomo. Following detailed due diligence, the project was deemed an excellent value proposition based on its multiple known mineralized prospects, potential for multiple significant mineral deposits and a strong rebound in copper, iron, gold and cobalt pricing since the last exploration work was completed in 2014 which focused mainly on copper despite indications of significant cobalt and iron at some targets.

1.1.1.1 Transaction with Capstone Copper

On June 23, 2026, Golden Arrow announced that it had entered into an arm's length definitive agreement for the sale of 73 concessions of the San Pietro project to Capstone Copper Corp. ("Capstone") and a wholly-owned subsidiary of Capstone, for aggregate consideration equal to US$25,000,000 in shares of Capstone (the "Transaction"). The approximately 16,555 hectares of concessions cover the main copper assets of the project, including the Rincones and Colla deposits and related targets. NGE will retain ownership of over 9,000 hectares of the San Pietro concessions, including a number of prospective gold targets identified by the Company's exploration team. These remaining concessions will be advanced under a new project name, "the Atakama Project".

Proceeds from the Transaction will be shared by the Company (75.019%) and SSA (24.981%) and are subject to withholding tax in Chile. In connection with the Transaction, Southern Cone Partners ("SCP") is acting as financial advisor to the Company and is arm's length to each of the Company, the Sellers, and the Buyer. As compensation for the services provided by SCP in connection with the Transaction, and subject to the prior approval of the TSXV, the Company will pay a transaction fee equal to 3.00% of the Transaction value, payable through the equivalent of US$750,000 of Consideration Shares (the "Advisory Fee Shares") issued as consideration in the Transaction on the closing date.

In connection with the Transaction, NGE and its shareholders, New Golden Atlantida and SSA, will undertake a pre-closing reorganization forming NewCo, which will acquire all of the Copper Assets, in advance of closing the Transaction (the "Pre-Closing Reorganization").

Following unanimous approval by the Golden Arrow Board, the Transaction and Pre-Closing Reorganization were subject to, and received, approval of the Golden Arrow shareholders at a special meeting held on August 21, 2026. See also Events After the Reporting Period.

The final closing of the Transaction is subject to the approval of the TSXV and the approval of the listing of the Consideration Shares by the TSX and is expected to occur within 10 business days of all conditions being satisfied or waived, and no later than December 31, 2026.

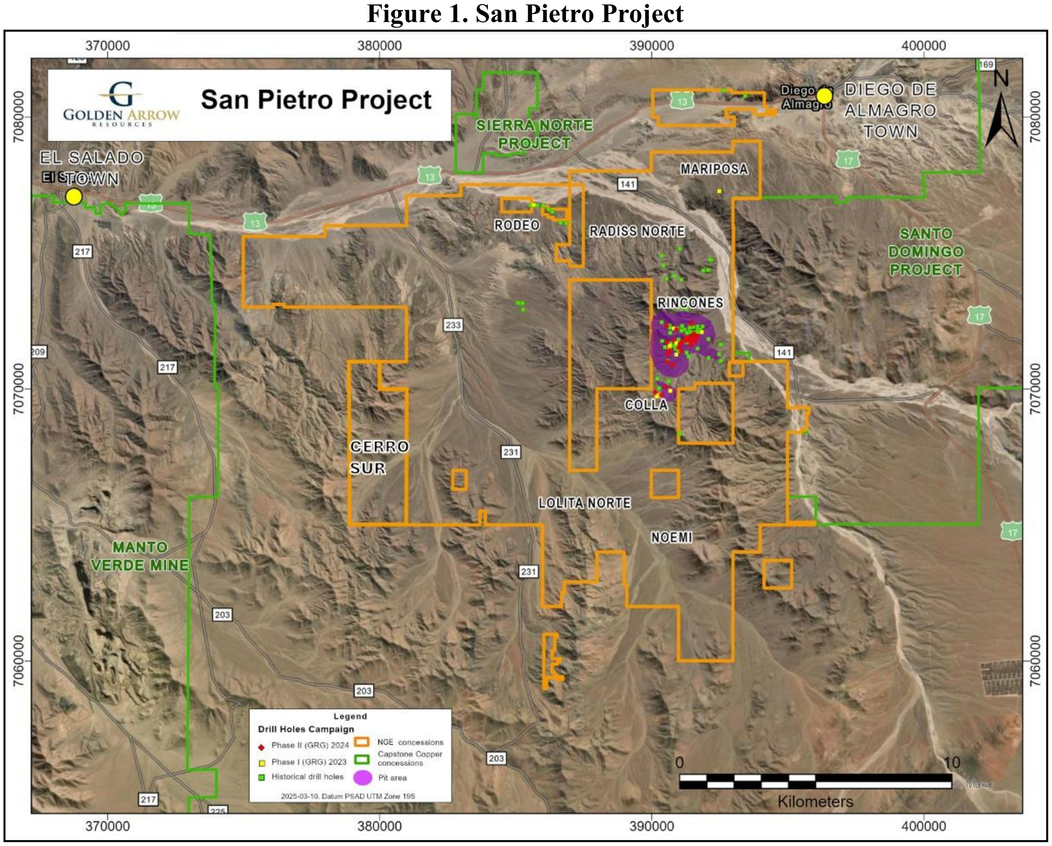
1.1.2 Background

The San Pietro Project includes exploration and exploitation concessions in the Atacama region of Chile, approximately 100 kilometres north of Copiapo in an active mining district that is home to all the major IOCG deposits in Chile. There is excellent mining infrastructure in the area, and the property is situated immediately adjacent to the west of Capstone Copper's Santo Domingo mine development project and 10 km northeast of its Mantoverde mine. *[Proximity to other mining projects in the area does not provide any assurances with respect to the prospects at the San Pietro Project.]* Subsequent to purchasing the project NGE acquired 100% interest in some additional concessions in contiguous areas, expanding the project to cover more than 21,000 hectares.

San Pietro is hosted in various andesite units as part of the Cretaceous volcano-sedimentary sequence associated with intrusive rocks such as granodiorites and diorites of similar age. The Project is located east of the Atacama Fault system, a major north-south regional structure, which was instrumental in the emplacement of the ore deposits in the area. Mineralization at San Pietro includes that typical of an IOCG system with copper-gold-iron-cobalt minerals in breccias, veins and mantos within a zone of K-feldspar-chlorite alteration. These structures are rich in magnetite and specularite and in some cases associated with calcite and were mainly developed along NW-SE lineaments.

The San Pietro Project had nearly US$15 million in exploration work by previous owners, including over 34,000 metres of drilling, over 1,000 surface samples and multiple geophysical surveys. Of the project's main target areas at acquisition, the Rincones target was the primary focus of the historic work, including 46 drill holes with multiple holes returning assays of significant copper, gold and cobalt values, such as 34 metres averaging 1.2% Cu, 0.21g/t Au, and 579ppm Co, in RADDH-002 (see Company news release dated March 17, 2022 for details).

Figure 1. San Pietro Project



1.1.3 Mineral Resource Estimate

On February 28, 2025 Golden Arrow announced its first Mineral Resource Estimate ("MRE") for two deposits at the San Pietro project. The pit-constrained MRE is supported by 32,733 metres of drilling, mostly at the Rincones target but with contributions from the adjacent Colla high cobalt-iron target.

Inferred Mineral Resource Estimate for Rincones & Colla Deposits at San Pietro Property
Effective: January 24, 2025. Reported within US$4.80/lb Cu Pitshell at 0.30% CuEq Cut-off**.**

Class	Oxide	Tonnes Mt	Average Grade					Contained Metal				
			CuEq %	Cu %	Au g/t	Co ppm	Fe %	CuEq Mlb	Cu Mlb	Au Koz	Co Mlb	Fe Blb
Inferred	Oxide	83	0.42	0.23	0.06	96	14.80	759	415	150	17	27
Inferred	Sulphide	410	0.41	0.23	0.05	99	14.35	3,686	2,055	620	90	130
Inferred	**All**	**492**	**0.41**	**0.23**	**0.05**	**99**	**14.43**	**4,444**	**2,470**	**770**	**107**	**157**

Notes to Table 1:

1. In-Situ Mineral Resources are constrained within a pit shell developed using metal prices of US$4.80/lb Cu, US$2,300/oz Au, US$15/lb Co and US$110/lb Fe, mining costs of US$2.50/t, processing and G&A costs of US$9.46/t, metallurgical recoveries of 90% Cu, 65% Au, 80% Co and 40% Fe and an average pit slope of 45 degrees.
2. CuEq values are based on copper, gold, cobalt and iron values using metal prices of US$4.10/lb Cu, US$2,500/oz Au, US$15/lb Co and US$105/lb Fe and metallurgical recovery values of 90% for Cu, 65% for Au, 80% for Co and 40% for Fe. The resulting formula is CuEq=Cu%+(Aug/t *0.705)+(Co%*3.252)+(Fe%*0.008), The cut-off grade for reporting the mineral resources within the pitshell is 0.30% CuEq using total costs of US$18/t.
3. The block model was classed into Inferred Mineral Resources for blocks with two drill holes within 400m.
4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves.
5. Mineral Resources in the Inferred category have a lower level of confidence than that applied to Indicated mineral resources, and, although there is sufficient evidence to imply geologic grade and continuity, these characteristics cannot be verified based on the current data. It is reasonably expected that the majority of Inferred mineral resources could be upgraded to Indicated mineral resources with continued exploration.
6. Totals in the table may not add up precisely due to rounding differences.

The MRE was prepared under the direction of Susan Lomas, P.Geo., of Lions Gate Geological Consulting Inc. and Bruce Davis Ph.D., F.AusIMM, Consultant. Both Ms. Lomas and Dr. Davis are independent Qualified Persons as defined in NI 43-101. The effective date of the MRE is January 24, 2025.

The Company is pleased with the results of the inferred mineral resource estimate and considers it the culmination of a successful first stage in delineating the full potential of the project. The resource area remains open for expansion in several directions, and future infill drilling is expected to delineate the higher-grade zones and upgrade the resource category. Golden Arrow also believes there is high potential for additional deposits and resources throughout the property and looks forward to continuing its exploration programs to delineate the many other targets.

Additional details regarding the MRE are available in the original news release, and full supporting information is detailed in the Technical Report dated April 2, 2025, prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and filed on SEDAR+ under the Company's profile.

1.1.4 Exploration Summary

The 2022 exploration program included validation of the historic database, relogging of key historic drill core intervals, a third-party review of historic geophysical data, and mapping and sampling throughout the large property. The team confirmed five key target areas for detailed work during the year: Rincones, Colla, Radiss Norte, Rodeo and Mariposa. A program of detailed 1:2000 scale mapping at each target was initiated, with over 10,000 hectares having been finished by the end of 2022, covering the Rincones and Colla targets. Early in 2023, a new IP-resistivity geophysical survey was completed at the Colla target, to detect chargeability anomalies that correlate with pyrite concentrations, as high cobalt is commonly found at the prospect and is known to be hosted within pyrite.

Permits for drilling were applied for in the middle of 2022 and received. On February 14, 2023, the Company announced that it had initiated a 7-hole, 2,650-metre diamond drilling program as the first stage of drilling to advance the five main targets at the project. The initial program was designed to test several new interpretations in preparation for more detailed work. On May 18, 2023, the Company announced that the drill program was being expanded. The final Phase 1 program was approximately 4,000 metres in 13 holes, including two holes in the Colla target which failed to be completed due to issues with drilling. Results from the Phase 1 program were announced in news releases dated June 13, June 27 and July 12, 2023 and are summarized below.

The main focus of the Phase 1 program was the 2.6 by 1.6 kilometres Rincones target, where six holes were completed. These holes successfully validated the new interpretation for the geological model and in all cases they encountered Cu-Co-Au-Fe mineralization. Hole SP-DDH-12 tested this central area of Rincones, which was largely undrilled. This hole returned the best interval of the program, with results highlighted by:

- 64.2 m @ 0.86% Cu, 0.20 g/t Au, 196 g/t Co and 25.9% Fe starting at 42.8m depth, and
- 75.0 m @ 0.23% Cu, 0.03 g/t Au and 67 g/t Co starting at 243 m depth, followed by a short high-grade Co-Fe interval of 3.3 m @ 0.22% Cu, 0.05g/t Au, 333 g/t Co and 33.37% Fe.

With the information collected from this program, a new 3D geological model was constructed at Rincones to define priority targets for the next drilling phase.

Three exploration targets were also tested by the Phase 1 program: Colla, Mariposa and Rodeo. The Colla target is located approximately two kilometres southwest from Rincones and was of interest for its high cobalt and iron identified by the 4 holes completed in historic drill programs. Drilling demonstrated the continuity of the specularite breccias and the extension of magnetite mantos delineated at surface by new detailed mapping.

The Mariposa target includes several occurrences of specularite veins with visible copper oxide mineralization as well as historic small mine workings in the northeast corner of the property package. Phase 1 drill hole SP-DDH-08 tested one such previously undrilled occurrence located approximately six kilometres from Rincones. SP-DDH-08 successfully confirmed mineralization at depth, in a structure believed to be the main feeder for mineralization in the immediate area. Several shallow well-mineralized intervals were intersected, highlighted by 19.86m averaging 0.49% Cu, 0.19g/t Au, 575g/t Co and 17.26% Fe at 64.14m depth including 6m averaging 1.47% Cu, 0.34g/t Au, 517g/t Co and 15.42% Fe.

The Rodeo target is in the northern part of the project, located 7.5 km northwest of Rincones. This target has one historic hole, RO12DH-005, which intersected 34 metres averaging 1.03% Cu, 334ppm Co starting at 120 m downhole (see Company news release dated March 17, 2022 for details). Phase 1 drill hole SP-DDH-10 successfully confirmed the lateral continuity of the Cu-Co mineralization from the historic hole, cutting a long shallow mineralized interval of 24m averaging 0.34% Cu, 0.04g/t Au, 234 g/t Co and 13.14% Fe. The current and historic holes at Rodeo appear to have intersected the same northwest-trending structure that is currently being mined by small-scale local miners on adjacent tenements. *[Proximity to other mining projects in the area does not provide any assurances with respect to the prospects at the San Pietro Project.]*

The Phase 2 diamond drilling campaign commenced in April 2024, with approximately 9,000 metres of drilling completed, including 24 holes at Rincones and 2 holes at Colla. Results were reported in 2024 news releases dated July 11, August 8, September 10, October 31 and December 10th, 2024 as well as in news releases dated January 21, 2025 and January 29, 2025.

Drilling initially sought to complete a nominal grid over the advanced Rincones target and verify the requisite spacing for completing the MRE. Preliminary modeling supported 200m drill spacing as sufficient for the estimation of inferred resources, and the program continued to complete the nominal grid at Rincones, as well as test for limits of mineralization in various directions. Drilling consistently encountered long intervals with IOCG mineralization hosted in magnetite mantos, specularite breccias, or both. Four holes returned intervals of more than 100 metres averaging more than 0.4% copper, and shorter higher-grade intervals were common throughout the holes. On-going modeling indicated good continuity between holes in both the sub-horizontal mantos and the sub-vertical breccias.

Highlights from the grid drilling program include:

- Relatively high grades in drill hole SP-DDH-14, including
  - 11.1m at 463 g/t Co and 42.2% Fe from 46.4m, and

    - 5.95m at 0.80% Cu, 0.19 g/t Au, 159 g/t Co and 28.9% Fe from 180m, and
    - 20m at 1.47% Cu, 0.16 g/t Au, 343 g/t Co and 27.2% Fe from 360m.

- 132m averaging 0.44% Cu from 114m in drill hole SP-DDH-15.
- 109.10m at 0.44% Cu, 0.06 g/t Au, 130 g/t Co and 15.0% Fe from 253.9 m in drill hole SP-DDH-18, ~150m east of SP-DDH-15, including
    - 12m at 1.16% Cu, 0.09 g/t Au, 202 g/t Co and 21.6% Fe.
- 101.38m at 0.43% Cu, 0.09 g/t Au, 177 g/t Co and 30.1% Fe from 35.6m in drill hole SP-DDH-19, including
    - 5m at 1.3% Cu, 0.29 g/t Au, 253 g/t Co and 27.4% Fe starting at 41m.
- 110m at 0.40% Cu, 0.08 g/t Au, 85 g/t Co and 18.0% Fe starting at 158 m in SP-DDH-22.

Later in the program Golden Arrow stepped out 400 metres south from the main Rincones area towards the Colla target and drilled SP-DDH-29, followed by parallel hole SP-DDH-38 collared another 220 metres along trend to the northwest. Both holes returned long intervals of mineralization, including:

- 310.85 m averaging 0.19% Cu, 0.06 g/t Au, 127 g/t Co and 12.2% Fe from 186.4m, in SP-DDH-29, including
    - 19.28m averaging 0.77% Cu, 0.16 g/t Au, 521 g/t Co and 21.7% Fe
- 180m averaging 0.21% Cu, 0.07 g/t Au, 95 g/t Co and 12.9% Fe starting at 276.73m in hole SP-DDH-39.

These holes were included in the MRE, expanding the resource footprint. The area remains open in all directions and suggests the potential for future drilling to connect the two targets.

The two holes drilled at Colla in the Phase 2 program included the best cobalt interval to date:

- 123.1m at 443 g/t Co starting at 24.9 m depth in drill hole SP-DDH-25.
    - Includes 19.43 m at 790 g/t Co and 32.6 % Fe

In 2024 the Golden Arrow team continued surface exploration throughout the property, concurrent with the resource delineation drilling program at the Rincones and Colla targets. The first detailed geological mapping was completed in the south and southwestern parts of San Pietro as well as a 1500-hectare ground magnetics survey. Work in this southern part of the property through 2025 identified several new target areas, with particular prospectivity for gold. The most advanced of these targets are described below.

Noemi covers an area of approximately 2 by 3 kilometres located approximately 7 kilometers south of the Rincones resource area. Compiled surface mapping first delineated a N-S trending structural system spanning over 1 kilometre in strike, with an average width of 25 metres and a maximum width of 40 metres at surface (the "Paula" structure). This included a brecciated vein of quartz-tourmaline-specularite-carbonate-jarosite and veinlets in the surrounding host rock. Results of initial sampling of the breccia and vein structures were announced May 14, 2025 and September 2, 2025 and established Noemi as an exciting new gold target. Surface sampling returned results of greater than 1 g/t Au in 24 of 50 new samples in the area. Chip channel samples across the main vein structure included 10.0m averaging 1.88 g/t Au, 8.0m averaging 1.66 g/t Au and 10.5m averaging 1.82 g/t Au. Additional subparallel structures were identified and sampled where outcrop allowed, up to 300 metres from the main structure. These returned multiple samples with significant gold, including a high value of 5.67 g/t Au in a 0.30 m wide structure. Additional surface sampling and a new trenching program was initiated in late September of 2025.

In the autumn 2025 program, trenching was conducted in two areas spanning more than three kilometres north to south along the Paula structural trend at Noemi, and all but one of the twenty trenches returned significant gold intervals, as announced on January 12, 2026. Trenches 11 through 16 span 380 metres of strike and up to 76.7 metres width at the south end of the main 1-km-long breccia vein system. These trenches all returned intervals of greater than 1 g/t Au over more than 10 metres, including:

- **38.7 m @ 1.44 g/t Au including 22.5 m @ 2.24 g/t Au (Trench 16)**
- **73.4 m @ 0.87 g/t Au including 20.2 m @ 2.09 g/t Au (Trench 15)**
- **76.7 m @ 1.01 g/t Au including 26.6 m @ 1.65 g/t Au (Trench 14)**
- **32.9 m @ 0.91 g/t Au including 20.2 m @ 1.10 g/t Au (Trench 13)**
- **34.7 m @ 1.10 g/t Au and 23.9 m @ 0.21 g/t Au (Trench 12)**
- **92.2 m @ 0.30 g/t Au including 12.4 m @ 1.07 g/t Au (Trench 11)**

The trenches were opened across the north-south oriented structures, and many were mineralized at the east or west extents, suggesting mineralization may continue in these directions. The system remains untested at depth.

The breccia-hosted gold and copper mineralization at Noemi that is related to tourmaline alteration is believed to be related to a mineralized system identified at the Lolita Norte target that outcrops 3 kilometres to the west, with similar orientation and mineralization. Preliminary sampling at Lolita returned multiple anomalies, particularly in gold, as reported in the May 14, 2025 news release.

Also on May 14, 2025 the Company announced that it had added the 1,500-hectare Cerro Sur project concessions to the San Pietro land package through direct acquisition. Historic programs by major companies at Cerro Sur included exploration and at least 4,700 metres of diamond drilling. Some summary results and data are available, and initial due diligence confirmed that the project is highly prospective for copper, gold and iron deposits. Notable drill intercepts include 62 metres averaging 0.25% Cu and 6 metres averaging 4 g/t Au. [Golden Arrow's Qualified Person has not verified the information and no details on methodology or QA/QC were included, therefore this information is considered "anecdotal" at this stage and only indicative of the potential of the project.] There is drill core from the project onsite and the Company has initiated a program of relogging, resampling and re-assaying the core as much as possible to validate the historic data and create a robust database, while also launching new reconnaissance exploration programs.

Permitting
Following the Phase 2 drill program at Rincones and Colla, the Company immediately proceeded in applying for an environmental permit that would allow for continued drilling on up to 80 additional drill platforms (see News Release dated 9/19/24). Following an extensive process spanning over a year, on November 10, 2025 the Company announced that an Environmental Qualification Resolution ("RCA") was issued by the Chilean authorities responsible for environmental matters. The RCA includes several authorizations key for advanced exploration and development work, and allows for an additional 80 drilling platforms. Each platform is a location where one or more drill holes can be executed.

1.2 Atakama Project

1.2.1 Ownership & Background

The Atakama Gold Project includes 9,469 hectares of exploration and exploitation concessions (see Figure 1). As noted in section 1.1.1.1 above, these concessions were part of the San Pietro project but were not transacted to Capstone, with the Company electing to keep them for their gold exploration potential. While the Transaction has not yet closed, the Company and NGE are currently operating Atakama as a new, separate project. NGE holds 100% ownership of these concessions, with some remaining subject to the NPI from the original San Pietro transaction (see 1.1.1). Importantly, upon closing of the Transaction, concessions in the Atakama Project are expected to be included under the previously issued Environmental Qualification Resolution.

Atakama includes most of the previously described Noemi target area, now called the Paula target after the gold-bearing structural system that is the primary target of interest. Also included in the project are the previously described Lolita and Cerro Sur targets, as well as the more recently identified Dos Marias target. These targets are spread across the 10-km wide property, and each includes a large area where preliminary surface exploration work identified significant anomalous gold. The Company believes there is potential to identify one or more near-surface gold deposits of economic interest at the project.

There are many examples of gold deposits and significant gold mining found in the Atacama region of Chile. The main gold mining occurred in the prolific Maricunga belt, starting less than 100 km east of the project in the high Andes, where gold is typically found in high-sulfidation epithermal and porphyry-style deposits as well as in oxide-hosted deposits. Recently, new intrusion-related styles of gold deposits have been identified in the coastal parts of the Atacama Region approximately 50km to the southwest, including intrusion-related and oxide-hosted gold styles. While the presence of gold in these locations is no assurance of economic gold deposits at the Atakama project despite any geologic similarities, all of these examples provide models that can help understand and advance the gold targets at Atakama.

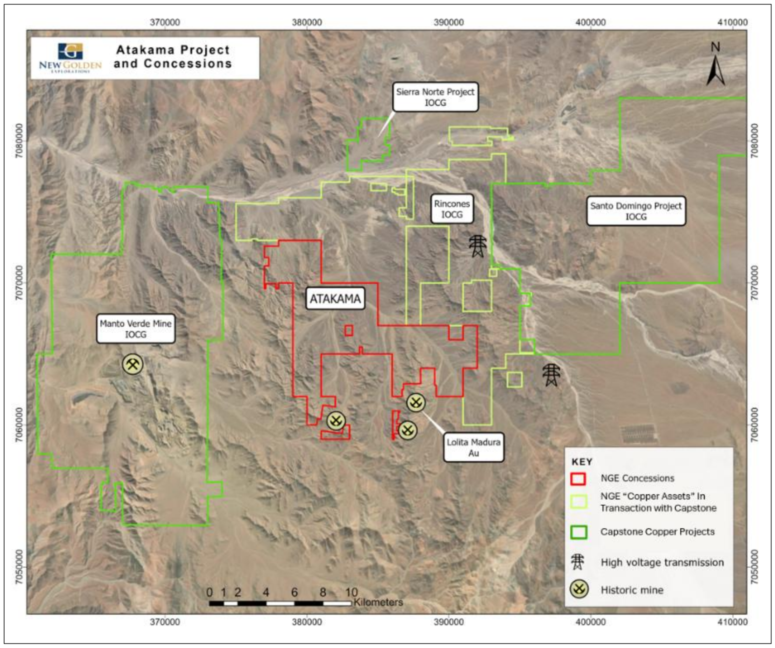


Figure 1. Atakama Concession Area

1.2.2 Exploration Summary

From 2025 through the first half of this year, Golden Arrow's technical team mapped a large percentage of the more than 9,000 hectares of the Atakama concessions, collected 983 surface rock samples and 693 trench samples, and relogged over 4,600 metres of historic drill core.

This work has identified strong gold grades at surface in four zones, from east to west: Paula, Lolita Norte, Dos Marias and Cerro Sur. The gold in the four zones is mostly structurally-hosted in north-to-northwest trending quartz-carbonate-barite-specularite-rich veins and breccia zones with dominant quartz-sericite alteration. The current working model interprets the mineralization observed to date at Atakama as epithermal/mesothermal and corresponding to the upper part of an intrusive-related system. In this model, iron- and silica-rich fluids separated, with iron-rich fluids creating deeper IOCG mineralization and silica-rich fluids creating shallower gold mineralization. Observations that to date support this interpretation include: near-surface IOCG mineralization to the west, zones of silica lithocap, and quartz pods. Notably, alluvial or colluvial cover conceals large portions of the project.

Paula Target

Paula is the most advanced of the four targets. It covers an area of approximately 1100 by 1200 metres on the easternmost part of the property. Fine grained andesites, tuffs and volcaniclastic rocks form the main mapped geological units and are intruded by a micro-diorite, with some areas of substantial gravel cover. The gold system is characterized by an earlier stage alteration assemblage associated with a north-south structural system with veins, breccias, and fractured zones containing tourmaline, quartz, carbonates, and barite in oxidized zones with limonite.

By the end of Q2, 2026, the technical team had collected approximately 211 surface rock samples, completed more than 1200 m of trenching that produced 693 samples, conducted ground magnetics geophysical surveying, and mapped the target at a scale of 1:1000.

As originally reported on January 12, 2026, the 2025 trenching program at Paula included 17 trenches to test the one-kilometre-long mineralized breccia vein system and a smaller parallel structure approximately 200 metres to the west.

Notably, trenches 11 through 16 span 380 metres of strike and up to 76.7 metres width at the south end of the main breccia vein system in the south zone, and all returned intervals of greater than 1 g/t Au over more than 10 metres, including five trenches with 1g/t Au over more than 20 metres. Higher gold values appear to correlate with tourmaline, in areas of stronger brecciation and replacement. Recent detailed mapping suggests that the main mineralized zone may be significantly wider than the initial trenches indicated, reaching over 100 metres. The zone remains open in all directions.

Lolita Norte Target

Three kilometres west of Paula, Lolita Norte hosts a similar gold-bearing structural system that Golden Arrow interprets as the northern extension of the Lolita-Madura gold vein system. A private underground gold mining operation exploited the Lolita-Madura system in the 1980´s, and its remains sit approximately 2.5 kilometres south of the Golden Arrow concessions. *[Proximity to a mineral resource, deposit, or mine does not indicate that mineralization will occur on Golden Arrow's property, and if mineralization does occur, that it will occur in sufficient quantity or grade that would result in an economic extraction scenario.]*

The system can be followed for at least 3.5 kilometres at surface. To the end of Q2 2026 the team had collected approximately 210 surface rock samples at Lolita Norte, of which 10 have exceeded 1 g/t Au, with highlights of 1.5 m averaging 4.75 g/t Au and 0.35 m @ 20.5 g/t Au in rock chip samples, as reported on July 27, 2026. The team has mapped the area at an approximate scale of 1:10,000.

Dos Marias Target

At Dos Marias, northwest-oriented structures with extensive shear zones 10 to 20 metres wide host gold mineralization. The team has observed hydrothermal veins of whitish drusy quartz and boxwork cavities filled with iron oxides (jarosite-hematite-goethite). The host volcanics exhibit strong hydrothermally associated quartz-sericite alteration. The main northwest structure extends for at least three kilometres. To the end of Q2 2026 the team had collected approximately 153 surface samples, of which 13 reported above 1 g/t Au, with highlights of 0.95 m grading 3.97 g/t Au and 0.90 m grading 4.52 g/t Au in rock chip samples (see news release dated July 27, 2026). The team has mapped the area at a scale of 1:10,000.

Cerro Sur Target

At the western side of the Atakama project, gold mineralization associated with the Merceditas fault system has been identified in samples taken over eight kilometres, north to south. Golden Arrow has completed geological mapping at a scale of 1:2,500 at the target. Exploration by multiple previous operators provides an historical database of trench sample results, geophysical survey data and drill assays. The team has engaged in a quality assurance/quality control program to validate this database, including relogged over 4,100 metres of historic drill core.

At Cerro Sur, the north-south oriented gold-mineralized breccia vein systems dip strongly to the east. From the center to the north extent of the target, quartz-siderite-jarosite with quartz-sericite alteration fills these breccia veins; to the south, epidote-garnet-magnetite vein and veinlet systems occur with carbonate plus jarosite.

To the end of Q2 2026, geologists had collected 393 surface rock samples with 24 of them returning assays above 1 g/t Au and highlights corresponding to 0.45 m grading 29.72 g/t Au and 1.7 m grading 10.81 g/t Au in rock chip samples, as reported on July 27, 2026.

In addition to the structurally-hosted gold occurrences, in the northeastern and southeastern extents of Cerro Sur there are areas of specularite breccia and copper sulfide mineralization of IOCG style. This mineralization is controlled by subvertical northwest structures that have been identified both on surface and in historic drill holes.

Current Program

On-going work includes detailed mapping (1:1,000 scale) at Paula and additional trenching and sampling at Paula, Lolita Norte and Cerro Sur. Geophysical surveys, including IP-Resistivity and ground magnetometry, will be carried out to assist in exploring the extent of mineralization at Paula and to refine drill targets.

Drilling is currently permitted using a maximum of forty drill platforms, and the Company anticipates launching the first drill program to test the depth potential at the Paula target as early as September, subject to financing.

2. Argentina

2.1 Portfolio

Golden Arrow has built a portfolio of over 125,000 hectares of exploration properties in four provinces of Argentina. These properties are prospective for a variety of precious and base metal deposit types and have had varying degrees of work completed in the past. The Company seeks option/joint venture partners to explore the portfolio projects as they are often in remote locations requiring significant work and time commitments to fully evaluate them. This strategy allows Golden Arrow to focus on lower-risk projects that can be quickly and efficiently advanced, while continuing to review and acquire additional new opportunities. A summary of the geology and exploration programs for the most prospective portfolio projects can be found on the Company's website, and additional details are available in the original news releases filed on SEDAR+.

2.1.1 Yanso

The Yanso Gold Project includes 12,480 hectares in five non-contiguous concessions in San Juan province, Argentina. The properties were formerly considered part of the Company's Pescado project. The main focus at the project historically was a gold-copper intrusive-related target ("FAP") with a 300 metre by 90 metre zone of strong alteration coincident with gold and other geochemical anomalies, which is open along strike and untested at depth.

Detailed airborne magnetics identified an intrusive body, and strong silica-illite-pyrite alteration is exposed at the contact with the intrusive. The alteration is exposed between two major drainages and at the intersection of two structural trends. Golden Arrow has conducted limited surface sampling programs over the target in the past that identified geochemical anomalies, with gold assay highlights from rock chips noted above as disclosed in the February 19th, 2008 news release. Potential strike extensions of the mineralized zone are buried by alluvial cover.

On July 23, 2021, Golden Arrow announced that it was starting a new exploration program at Yanso, to include geophysical surveying, surface mapping and rock sampling. In 2022, a 642 hectare ground magnetic survey was completed by Golden Arrow and data processed by a third-party consultant. Detailed geological mapping continued, covering over 70% of two target areas. Throughout the year a total of 141 rock chip and 222 channel samples were collected and submitted for assay. Finally, 17 of the rock samples were submitted for alteration testing. Field work including mapping and sampling continued during the exploration season in 2023, and the database now includes results from over 2,000 rock chip and channel samples, from surface and trenches, as well as an IP-Resistivity survey of seven east-west lines totaling 6,450m and a ground magnetic survey covering an area of 744ha, with data processed by a third-party consultant. This worked identified and advanced several gold targets including the original FAP, plus the FAN, Cortadera and FAS targets that are partially outcropping along a +3km belt of alteration. New anomalous gold results from trench and rock channel samples were reported on May 23, 2024. Also reported on that date was the discovery of a new zinc-lead target approximately 12 kilometres north of FAP. Sampling of an initial creek boulder of interest returned an assay of 9.7% Zn, and follow-up mapping discovered a NW/vertical feeder that led to a mineralized strata-bound body up to 2 metres wide that returned 4 samples ranging from 3.5% to 18.8% Zn. Other subparallel bodies were also identified, up to 50m apart, and 2 samples returned assays from 9.9% up to 40.1% Zn. The zinc-lead mineralization is hosted in a thick package of the Ordovician limestones of the San Juan Formation. This formation hosts both the gold mineralization at the Gualcamayo gold deposit, and the small historic La Helvecia zinc-lead mine, located approximately 38km to the northwest. The mineralization identified at this new area of Yanso shows similarities in style to La Helvecia, which is a strata-bound deposit hosted in calcitic breccia. *[Proximity to other deposits does not indicate that similar mineralization will occur at Yanso, and if mineralization does occur, that it will occur in sufficient quantity or grade that would result in an economic extraction scenario, however identifying similarities to these deposits provides models to guide the exploration process.]*

Surface exploration work is on-going to delineate the targets, and Golden Arrow continues to seek a joint venture partner in order to fully advance the project.

2.1.2 Potrerillos

The Potrerillos Project includes ~4,000 hectares of 100%-controlled claims in the Valle de Cura district, just 8km east of Barrick's Veladero gold mine and Pascua-Lama development project. *[Proximity to these deposits does not indicate that similar mineralization will occur at Potrerillos, and if mineralization does occur, that it will occur in sufficient quantity or grade that would result in an economic extraction scenario, however Golden Arrow uses these deposits as models to guide the exploration process.]* Golden Arrow's previous field campaigns identified high-grade structures, anomalous samples, and large areas of alteration at various targets. On May 23, 2024, the Company announced that during the 2024 field season the historic targets were re-evaluated in order to update the project database and evaluate the potential for continued work or joint venture. A total of 244 rock samples were collected and the data from an historic magnetometry survey was re-processed. Interpretation reclassified targets as the North Block (a low sulphidation epithermal system, including quartz-calcite veins, stockworks and breccias with gold-silver mineralization) and South Block (a deeper system, where the overlying epithermal system has eroded and copper mineralization is the pervasive target).

The Company has the necessary permits to drill at Potrerillos and target delineation is on-going. Golden Arrow continues to seek a joint venture partner in order to fully advance the project.

2.1.3 Caballos

In keeping with its strategy for portfolio projects, on March 9, 2021, Golden Arrow announced that, through its wholly-owned subsidiary, Desarrollo de Recursos S.A. ("DDR") it had optioned its Caballos Copper-Gold project to Hanaq Argentina S.A. ("Hanaq"). In order to earn a 70% interest in the Project, Hanaq has guaranteed a minimum US$0.5 million in expenditures on exploration within two years, followed by US$3.5 million in exploration expenditures within six years that comes into effect following the receipt of exploration permits in October 2024. After completion of the option earn-in, the parties have agreed to form a joint venture company comprised of 70% Hanaq and 30% DDR to advance the Project on a pro rata basis, with provisions for dilution.

On February 11, 2024 the Company reported that Hanaq had secured exploration permits for the project and commenced its first reconnaissance program. A project status report was provided to Golden Arrow in late April 2025 confirming that 4 holes had been drilled totaling 948.5 metres. Hanaq confirmed its intent to continue with the earn-in option.

2.1.4 Mogote

In May 2022, the Company announced another property option agreement, this time for the Mogote Copper-Gold project in San Juan province. Golden Arrow, through its wholly-owned Argentinean subsidiary, executed a definitive agreement with Australian-based Syndicate Minerals Pty ("Syndicate") which was assigned to Mogotes Metals Inc. ("MOG") on September 19, 2022, and in April 2023 amended the agreement. The agreement gave Syndicate the option to earn an 85% interest in Mogote Project. An initial 80% interest could be earned by spending $5 million on exploration at the Project over five years and making payments of $1.75 million over five years in cash or listed shares, including a payment on signing of $150,000. On April 14, 2023, the Company amended its agreement with Syndicate to accept 4,000,000 common shares with a fair value of $0.30 per share in MOG in lieu of staged cash payments of $1,200,000. Under the terms of the agreement, in the event that MOG completed a going public transaction or issued its common shares at a lower share price, the Company was to receive additional shares such that the number received in April 2023 would still be the equivalent value of $1,200,000. On February 13, 2024, the Company received another 4,000,000 common shares in MOG to prevent dilution and maintain its $1,200,000 investment value as per the terms of the agreement between the companies. After completion of the option earn-in, MOG can complete a feasibility study to earn a further 5% interest. After that, the parties have agreed to form a joint venture company to advance the Project on a pro rata basis, with provisions for dilution.

On June 12, 2024, MOG commenced trading on the TSX Venture Exchange under the symbol MOG. The Company held 8,000,000 common shares of MOG (the "MOG Shares") at December 31, 2024 with a fair value of $0.13 per common share. The MOG Shares are subject to a 180 day trading hold that expired on December 9, 2024.

On February 10, 2025, the Company announced that it had amended the previous option agreement, granting MOG an option to acquire a 100% interest in the Project (the "Amending Agreement"). On March 26, 2025, the initial closing of the Amending Agreement was announced.

Under the terms of the Amending Agreement:

- The Company received $550,000 in cash and issued 9,000,000 units through a private placement on March 26, 2025 ("Initial Closing Date"), with each unit consisting of one common share in the capital of Company and one warrant of the Company for gross proceeds of $450,000.

- MOG issued 10,714,285 common shares of MOG (each, an "Option Share") to the Company on Initial Closing Date; and

Pursuant to the Amending Agreement, the Company agrees not to transfer the Option Shares and Deferred Option Shares (the "Lock-up"), without the prior consent of MOG (such consent not to be unreasonably withheld) , until such shares are released in accordance with the following schedule:

- on the date that is six months following the Final Closing Date, fifty percent (50%) of the Deferred Option Shares will be released from the Lock-up;
- the remaining fifty percent (50%) of the Deferred Option Shares will be released from the Lock-up in equal monthly installments over the subsequent six-month period, such that all Option Shares will be fully released from the Lock-up on the 12-month anniversary of the Final Closing Date; and

- On October 17, 2025, the Final Closing Date, MOG exercised the option and the Company received 4,687,500 Deferred Option Shares from MOG. The Deferred Option Shares are subject to a TSX-V four-month holding period and the Lock-up.

MOG has released some exploration results, which can be found on their website www.mogotesmetals.com, or in their news releases filed on SEDAR+.

MOG granted the Company a 1.5% net smelter royalty in respect of the Project.

The Company held 8,606,785 common shares of MOG at December 31, 2025 with a fair value of $2,711,137, or $0.315 per common share (December 31, 2024 – 8,000,000 common shares with a fair value of $1,040,000, or $0.13 per common share). The Company realized a cumulative gain of $1,378,644 in other comprehensive income (loss) on sale of investments for the year ended December 31, 2025 (December 31, 2024 – $Nil). The unrealized gain on change in fair value of investments was $885,289 for the year ended December 31, 2025 (December 31, 2024 – loss of $760,000). See also Events After the Reporting Period.

2.1.5 Huachi

On June 24, 2025 the Company announced that it had signed a definitive option agreement (the "Agreement") with Latin Metals Inc. ("Latin Metals") granting the option to acquire up to a 100% interest in the Company's 3,500-hectare copper-gold Huachi property ("Huachi"). The Huachi project is located in San Juan Province and is immediately contiguous with Latin Metals' Esperanza copper-gold project.

Latin Metals has the right to acquire an initial 75% interest in Huachi by completing US$1,000,000 in exploration expenditures and US$1,000,000 in cash payments to Golden Arrow over a four-year period. Upon earning the 75% interest, Latin Metals has a Top-Up Right to acquire the remaining 25% interest (for an aggregate 100% ownership) by paying US$2,000,000 in cash to Golden Arrow within 90 days.

Should Latin Metals choose not to exercise the Top-Up Right, the parties will form a joint venture with Latin Metals holding 75% and Golden Arrow 25%. Each party will fund its pro-rata share of future expenditures. A party diluting below 15% will have its interest converted to a 1% net smelter return royalty.

Work commitments and cash payments commence on the first anniversary of approval of the environmental permit (Declaración de Impacto Ambiental or "DIA"), which approves the start of exploration activities including drilling (the "Commencement Date"). As of and subsequent to June 30, 2026, the environment permit has not been approved.

Results of Operations – For the six months ended June 30, 2026 compared to the six months ended June 30, 2025

Loss from operating activities

During the six months ended June 30, 2026, total expenses increased by $369,054 to $2,289,923 compared to $1,920,869 for the six months ended June 30, 2025. The increase in total expenses is largely due to:

- An increase of $363,524 in exploration expenditures. Exploration expenditures were $1,371,600 for the six months ended June 30, 2026 compared to $1,008,076 for the six months ended June 30, 2025. The Company undertook greater exploration work at San Pietro and Yanso projects during the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

- An increase of $172,522 in professional fees. Professional fees were $242,573 for the six months ended June 30, 2026, compared to $70,051 for the six months ended June 30, 2025. The increase is due to the Company requiring more professional advice in negotiations regarding the Capstone proposed transaction during the six months ended June 30, 2026, compared to lesser professional advice during the six months ended June 30, 2025.

The decreases were partially offset by:

- A decrease of $102,000 in administration and management services. Administration and management services were $18,000 for the six months ended June 30, 2026 compared to $120,000 for the six months ended June 30, 2025. The decrease was due to lesser corporate activities during the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Other items

During the six months ended June 30, 2026, income from other items decreased by $2,107,047 to $53,063 compared to $2,160,110 for the six months ended June 30, 2025. The change in other items is largely due to:

- A decrease of $2,157,143 in option income. Option income was $Nil for the six months ended June 30, 2026, compared to $2,157,143 for the six months ended June 30, 2025. The Company received $550,000 in cash and 10,714,285 common shares of MOG with a value of $1,607,143 during the six months ended June 30, 2026.

Net loss for the six months ended June 30, 2026 was $2,236,860 compared to net income of $239,241 for the six months ended June 30, 2025. Loss attributable to the shareholders of the Company was $2,095,326 or $0.01 per basic and diluted share for the six months ended June 30, 2026 compared to income of $255,327 or $0.00 per basic and diluted share for the six months ended June 30, 2025. Loss attributable to non-controlling interest was $141,534 for the six months ended June 30, 2026 compared to $16,086 for the six months ended June 30, 2025.

Cash Flows

Operating Activities

Cash used in operating activities was $2,346,321 for the six months ended June 30, 2026 compared to $2,734,630 for the six months ended June 30, 2025. The increase in cash outflow results primarily from increase in exploration expenditures incurred by the Company, offset by lower 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 received from investing activities was $2,231,077 for the six months ended June 30, 2026 compared to $1,646,893 for the six months ended June 30, 2025. Expenditures on mineral property interests were $175,470 during the six months ended June 30, 2026 compared to $6,073 during the six months ended June 30, 2025. Option income was $Nil during the six months ended June 30, 2026 compared to $550,000 during the six months ended June 30, 2025. Sales of investments generated $2,406,547 during the six months ended June 30, 2025 compared to $1,268,470 during the six months ended June 30, 2025. Purchase of marketable securities were $Nil during the six months ended June 30, 2026 compared to $190,475 during the six months ended June 30, 2025.

Financing Activities

Cash received from financing activities was $183,831 for the six months ended June 30, 2026 compared to $450,000 for the six months ended June 30, 2025. Contributions from non-controlling interest were $183,831 during the six months ended June 30, 2026 compared to $Nil during the six months ended June 30, 2025. Proceeds from the issuance of common shares net of share issue costs were $Nil for the six months ended June 30, 2026, compared to $450,000 for the six months ended June 30, 2025.

Statement of Financial Position

At June 30, 2026, the Company had total assets of $6,848,295 compared with $8,038,010 in total assets at December 31, 2025. The decrease primarily results from a decrease in marketable securities of $1,399,662, partially offset by an increase in mineral property interests of $175,470. Refer to Cash Flows section for details of cash spent.

Capital Stock

Authorized Share Capital

At June 30, 2026, 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.

As at June 30, 2026 and the date of this report, there were 169,666,596 shares issued and outstanding.

Details of Issues of Common Shares in 2026

There were no shares issued for private placement during the six months ended June 30, 2026.

Details of Issues of Common Shares in 2025

On March 26, 2025, the Company completed a non-brokered private placement consisting of 9,000,000 units at a price of $0.05 per unit for gross proceeds of $450,000 under the terms of the Amending Agreement with MOG (see also 2.1.4 Mogote*)*. Each unit consists of one common share in the capital of the Company and one transferable common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at an exercise price of $0.08 per warrant for a period of three years from the date of issue. No finder's fees were paid in cash or non-transferable warrants. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 2.61%; expected stock price volatility – 102.84%; dividend yield – 0%; and expected warrant life – 3 years.

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 for a maximum term of ten years. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately. The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX Venture Exchange. Share purchase options granted generally vest immediately, are subject to a four-month hold period and are generally exercisable for a period of ten years. See also Events After the Reporting Period.

The following summarizes information about the Company's share options outstanding and exercisable as at the date of this report:

Number of Share Options			
Outstanding	**Exercisable**	**Exercise Price**	**Expiry Date**
6,700,000	6,700,000	$0.10	July 13, 2028
6,700,000	6,700,000		

The Company had the following warrants outstanding as at the date of this report:

Number of Warrants Outstanding	Exercise Price	Expiry Date
12,050,467	$0.15	September 26, 2026
17,368,800	$0.10	February 6, 2027
1,000,000	$0.10	March 15, 2027
8,850,000	$0.08	November 22, 2027
28,000	$0.05	November 22, 2027
1,800,000	$0.08	December 2, 2027
133,000	$0.05	December 2, 2027
5,000,000	$0.08	December 24, 2027
294,000	$0.05	December 24, 2027
9,000,000	$0.08	March 27, 2028
55,524,267		

Commitments

Management Services Agreement

Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current fee is $15,500 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

The table below represents the Company's aggregate commitment to Grosso Group over the term of the Management Services Agreement.

	Year 1 $	Year 2 $	Year 3 $
Management Services Agreement	18,000	36,000	-

The Company has a consulting agreement with its CEO and Director. The termination provisions of the agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Director would receive an amount equal to 24 months' compensation. As of June 30, 2026, the Company would have to pay $295,425 to the Director in the event of termination without cause or a change of control.

The Company has a consulting agreement with its CFO (the "CFO Agreement"). The termination provisions of the CFO Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the CFO would receive an amount equal to 24 months' compensation. As of June 30, 2026, the Company would have to pay $69,609 to the CFO in the event of termination without cause or a change of control.

The Company has a consulting agreement with its former Executive Chairman, under which the Company agreed to pay $5,000 per month for advisory services for a period of five years effective from April 2026.

The Company has a consulting agreement with its Vice President, Exploration and Development. The termination provisions of the agreement provide that a fee of 12 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the VP, Exploration and Development would receive an amount equal to 12 months' compensation. As of June 30, 2026, the Company would have to pay $233,879 to the VP, Exploration and Development in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Corporate Secretary (the "Corporate Secretary Agreement"). The termination provisions of the Corporate Secretary Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Corporate Secretary would receive an amount equal to 24 months' compensation. As of June 30, 2026, the Company would have to pay $83,530 to the Corporate Secretary in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Controller (the "Controller Agreement"). The termination provisions of the Controller Agreement provide that a fee of 12 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Controller would receive an amount equal to 12 months' compensation. As of June 30, 2026, the Company would have to pay $13,035 to the Controller in the event of termination without cause or a change of control.

Contingency

A former employee and former consultant to the Company are claiming to be owed severance in Argentina. The former employee commenced legal action that has progressed from prejudicial to judicial status. The Company believes the amount of severance being claimed by the former employee and former consultant is excessive and is disputing the amount. The actual amount of severance is still being negotiated and may be material to the Company.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Related Party Balances and Transactions

On June 1, 2017, the Company entered into a Management Services Agreement with Grosso Group Management Ltd. ("Grosso Group") to provide services and facilities to the Company. Grosso Group is equally owned by Argentina Lithium & Energy Corp., Golden Arrow Resources Corp., and Blue Sky Uranium Corp. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. This fee is reviewed and adjusted quarterly based on the level of services required.

The 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, 2027 and will be automatically renewed for additional terms of two years.

	Six months ended June 30,	
Transactions	**2026** **$**	**2025** **$**
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	18,000	120,000
Office & sundry	3,000	10,800
Total for services rendered	21,000	130,800

Key management personnel compensation

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

		Six months ended June 30,	
Transactions	**Position**	**2026 $**	**2025 $**
Salaries and employee benefits:			
Nikolaos Cacos	Director/CEO/President	73,856	72,337
Darren Urquhart	CFO	17,402	17,044
Brian McEwen	VP Exploration	116,939	114,534
Pompeyo Gallardo	VP	12,000	12,000
David Terry	Director	44,000	44,000
Joseph Grosso	Former Director	97,886	165,773
John Gammon	Former Director	-	6,000
Total for services rendered		362,083	431,688

As at June 30, 2026, $266,331 (2025 – $224,316) were owing from related corporations, Argentina Lithium and Energy Corp. and Blue Sky Uranium Corp., for shared services paid by the Company. These entities have common directors, namely Joseph Grosso, Nikolaos Cacos, and David Terry.

During the six months ended June 30, 2026, the Company incurred $141,921 (2025 - $Nil) in shared services received from Argentina Lithium and Energy Corp.

As at June 30, 2026, accounts payable and accrued liabilities of $292,977 (2025 - $275,559) were owing to related corporations Grosso Group Management Ltd., Argentina Lithium and Energy Corp., and Oxbow International Marketing Corp., which is owned by Joseph Grosso.

Events After the Reporting Period

Sale of Investments

The Company sold 1,160,000 common shares of MOG at an average price of $0.54 per share for net proceeds of $624,900 (see also 2.1.4 Mogote).

Stock Options

250,000 stock options were exercised at an exercise price of $0.10 per unit.

Shareholder Approval of San Pietro Project Transaction

At the annual general and special meeting of the Company held on August 21, 2026, the shareholders of the Company approved, by special resolution, the Transaction with Capstone Copper, as previously announced on June 23, 2026. Approximately 98.8% of the votes cast were in favour of the Transaction. The Transaction is expected to close during the third quarter of 2026, subject to the final approval of the TSX Venture Exchange (see also 1.1.1.1 Transaction with Capstone Copper).

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 material accounting policies contained in Note 2 of the Company's condensed consolidated interim statements for the six months ended June 30, 2026. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

New and amended IFRS standards that are effective for the current period:

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments focus on areas such as the recognition and derecognition of financial assets and liabilities, the assessment of the "sole payments of principal and interest" criterion, and disclosures for instruments with contractual terms that can change cash flows, including those linked to ESG targets. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. This amendment did not have any impact on the Company's consolidated financial statements.

New Accounting Standards and Interpretations not yet effective

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal six months ended June 30, 2026 and accordingly, they have not been applied in preparing these consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

i. Three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.

ii. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.

iii. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027, the Company is evaluating the impact on the Company's consolidated financial statements.

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.

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 cash equivalents, and investments. The Company has reduced its credit risk by depositing its cash and cash equivalents, and investments with financial institutions that operate globally. Therefore, the Company is not exposed to significant credit risk and the Company's overall credit risk has not changed significantly from the prior period.

Liquidity risk (See also Liquidity and Capital Resources)

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, and sale of marketable securities to fund exploration programs and may require doing so again in the future.

As at June 30, 2026, the Company has $786,336 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk

(i) Price risk

Security 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 $131,000.

(ii) Currency risk

Financial instruments that impact the Company's net earnings due to currency fluctuations include: cash, and cash equivalents, and accounts payable and accrued liabilities all denominated in United States dollars, Chilean pesos, and Argentinean pesos. A 10% change in US dollar, Chilean Peso, and the Argentinean peso exchange rates relative to Canadian dollar would have insignificant impact on the Company's net loss:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by $500.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $6,000.
- A 10% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $9,000.

(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. Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

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 condensed consolidated interim statements for the six months ended June 30, 2026 and 2025. The Company has financed its operations principally through the sale of its equity securities and through debt. 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.

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 may 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.

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 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 if 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 and cash equivalents. The Company raises capital through equity issues and debt 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 and cash equivalents bears minimal interest. The fair value of cash and cash equivalents 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.

Global risk: The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, tariffs, and national and international circumstances. Recent geopolitical events, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

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.

Forward-Looking Statements

This MD&A contains certain statements and information that may be considered "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws. In some cases, but not necessarily in all cases, forward-looking statements and forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved" and other similar expressions. In addition, statements in this MD&A that are not historical facts are forward looking statements, including, without limitation, statements or information concerning the Company's business strategy, plans and outlooks; the future financial or operating performance of the Company; and future exploration and operating plans.

These statements and other forward-looking information are based on assumptions and estimates that the Company believes are appropriate and reasonable in the circumstances, including, without limitation, assumptions about the future prices of lithium; the price of other commodities; currency exchange rates and interest rates; favourable operating conditions; political stability; timely receipt of governmental approvals, licences and permits (and renewals thereof); access to necessary financing; stability of labour markets and market conditions in general; availability of equipment; the accuracy of mineral resource estimates and preliminary economic assessments; estimates of costs and expenditures to complete the Company's programs and goals; and there being no significant disruptions affecting the development and operation of the project.

There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include: risks associated with the business of the Company; business and economic conditions in the mining industry generally; the supply and demand for labour and other project inputs; changes in commodity prices; changes in interest and currency exchange rates; risks relating to inaccurate geological and engineering assumptions; risks relating to unanticipated operational difficulties; failure of equipment or processes to operate in accordance with specifications or expectations; cost escalations; unavailability of materials and equipment; government action or delays in the receipt of government approvals; industrial disturbances or other job action; unanticipated events related to health, safety and environmental matters; risks relating to adverse weather conditions; political risk and social unrest; changes in general economic conditions or conditions in the financial markets; ongoing war in Ukraine, rising inflation and interest rates and the impact they will have on the Company's operations, supply chains, ability to access mining projects or procure equipment, supplies, contractors and other personnel on a timely basis or at all and economic activity in general; and other risk factors as detailed from time to time in the Company's continuous disclosure documents filed with Canadian securities regulators.

The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Additional Information

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