

Golden Arrow Resources Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

Introduction

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed consolidated interim financial statements of Golden Arrow Resources Corporation ("the Company") for the three months ended March 31, 2020 and 2019 and related notes thereto which 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 Interim Financial Reporting ("IAS 34"). All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of May 21, 2020.

Company Overview

Golden Arrow Resources Corporation (the "Company") 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 listed on the TSX Venture Exchange, 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.

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. Puna Operations Inc. Mining Joint Venture

On July 22, 2019, Golden Arrow announced that it had entered into an arm's length definitive agreement for the sale of its 25% interest in Puna Operations Inc. ("POI"), a joint venture company operated by SSR Mining Inc. (NASDAQ: SSRM) (TSX: SSRM) ("SSRM") for aggregate consideration of \$42,151,469 (the "Transaction"). The Transaction was approved at a special meeting of the Golden Arrow shareholders on September 16, 2019 and completed in full including the approval of the TSX Venture Exchange on September 19, 2019. The total consideration received by Golden Arrow was:

- \$3.0 million in cash consideration;
- 1,245,580 common shares of SSRM representing a value of \$23,379,536;
- settlement of \$15,086,219 in full the outstanding principal and accrued interest owed by Golden Arrow under the credit agreement entered into in July 2018 with SSRM; and
- The return for cancellation, of 4,285,714 Golden Arrow common shares owned by SSRM representing a value of \$685,714.

2. Exploration Projects

2.1 Chile

In October 2018, Golden Arrow announced that it was expanding its exploration ventures into Chile.

2.1.1 Indiana Gold-Copper Project

2.1.1.1 Background & Agreement

On October 31, 2018, the Company announced that it had entered into a definitive agreement to acquire up to 100% of the Indiana gold-copper project in Chile's 3rd Region. Indiana is located approximately 35 kilometres from the Atlantida project. The 2,300 hectare Indiana project features a near surface deposit of high-grade gold and copper vein-hosted mineralization, with an historic resource estimate. The deposit area is permitted for mining, and there are currently two ramps allowing underground access for exploration and development. The project is road accessible and workable year-round.

Terms for the Definitive Agreement included staged payments totaling US\$15,170,000 for a 100% interest in the property. Prior to Golden Arrow making the last payment of US\$7,000,000 at the end of year four, the vendor had the option of retaining 25% of the project, which will then move forward on a pro rata basis.

In January 2020 Golden Arrow announced that it has favorably renegotiated the terms of the agreement. Under the new terms, Golden Arrow now has the right to earn 100% of the Project over a 74-month period, expiring in December 2024, for a total cost of US\$15,170,000. There is no longer a back-in retention/joint-venture option for the vendor, and the schedule of payments was greatly reduced for the initial years:

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 has escalating work commitments in the first three years including: a minimum 2,500 metre drill program in 2020 and a further minimum 2,500 metre drill program and commencement of preliminary engineering studies before the end of 2021.

2.1.1.2 Exploration

On October 10, 2019 the Company announced that it was completing pre-drilling work, prior to conducting a planned drilling program. On February 19, 2020 the Company announced the commencement of the drilling program at Indiana, including a minimum initial 2,500 metres in twelve holes to confirm grades and widths of high-grade mineralized shoots. If successful, an additional 2,500 metres is budgeted to test the broader potential of the system. In April 2020, the Company decided to temporarily suspend exploration work due to the COVID-19 crisis.

2.2 Paraguay

2.2.1 Tierra Dorada Gold Project, Paraguay

2.2.1.1 Background and Agreement

On August 14, 2019, Golden Arrow announced that it had entered into an option agreement to acquire a 100% interest in the highly prospective Tierra Dorada Project, a district-scale high-grade gold project covering an area of 640 km² (63,854 ha) in two blocks in southeastern Paraguay ("Tierra Dorada"). The city of Villa Florida is in the centre of the project at 80 metres above sea level. The topography is relatively flat, with scarce outcrop. Powerlines cross both properties. Tierra Dorada is located in an under-explored area underlain by Precambrian crustal rocks that exhibits geological characteristics and styles of mineralization similar to those associated with many significant Orogenic-type gold deposits in similar geologic terranes in Brazil, Canada and West Africa. The southern property block has been the focus of most of the historical exploration work to date in the area, with four main target areas delineated.

Golden Arrow has executed a Definitive Option Agreement (the “Agreement”) with respect to the Project. The terms of the Agreement include staged escalating payments over six years totaling US\$2,000,000, with an additional payment of US\$2,000,000 due thirty (30) working days following the date of commencement of any commercial production on the Property.

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

On October 10, 2019, the Company announced that it had hired Señor Juan Carlos Benítez Maldonado as Country Manager for the Company’s exploration programs in Paraguay. Sr. Benítez led the set-up of the Company’s interest in this new jurisdiction, including establishing an office, contracting local staff and acquiring equipment.

2.2.1.2 Exploration

On December 5, 2019, Golden Arrow reported that it commenced its work program in the southern property block at one of the four previously-identified target areas known as Alvaro. At Alvaro there are three known areas with sub-outcropping high-grade gold-mineralized quartz veins over a distance of 2.5 kilometres. At Showing 1, sampling by a previous operator reportedly yielded assays of up to 148.4 g/t Au. A detailed review of these sub-outcrops indicated two parallel structures striking northeast, 25 metres apart with gold-bearing massive crystalline quartz suboutcrop occurring over a strike length of approximately 200 metres. Historic values and Golden Arrow samples averaged 59.2 g/t Au in one of the structures (based on 6 samples) and 34.6 g/t Au in the other (based on 2 samples). Additional field work in the area identified a new, previously un-sampled, sub-outcrop area of aligned quartz vein boulders 150 metres in length; a grab sample assayed 47.4 g/t Au. This new vein is parallel to the previous two and located 250 metres to the northwest, but is highly brecciated including clasts of host rock, possibly indicating a significant breccia zone in this area.

The on-going program includes mapping, sampling and trenching, with ground geophysics and additional trenching planned, in order to delineate drill targets. In April 2020, the Company decided to temporarily suspend exploration work due to the COVID-19 crisis.

2.3 Argentina

2.3.1 Flecha de Oro Gold Project, Rio Negro

2.3.1.1 Background and Agreement

On September 25, 2019 Golden Arrow announced that it had entered into a Definitive Agreement to acquire up to 100% of the Flecha de Oro Gold Project in the province of Rio Negro, Argentina. The target of the project is high and low-sulphidation epithermal gold mineralization.

The project includes the optioned Puzzle and Esperanza exploration properties, consisting of 1,952 hectares and 9,968 hectares respectively. Under the terms of the option agreement Golden Arrow has to make staged payments to the vendor totaling US\$2,090,000 over seven years to earn a 100% interest in both properties. The vendor will retain a 1% royalty, which can be reduced to 0.25% for an additional US\$1,000,000.

Option Payment USD \$	Year
10,000 (paid)	2019
30,000	2020
50,000	2021
100,000	2022
200,000	2023
400,000	2024
500,000	2025
800,000	2026
2,090,000	

The Company has further expanded the property positions. Following positive initial results, applications were made for additional concessions around the Esperanza property, totaling over 14,500 hectares, (announced on December 3, 2019) and around the Puzzle property, totaling over 2,500 hectares (announced March 2, 2020).

The properties are road-accessible at a modest elevation of approximately 950 metres above sea level that allows for year-round exploration. The closest town is Los Menucos, situated about 22 kilometres southeast of the Puzzle property.

2.3.1.2 Exploration

Golden Arrow's due diligence and reconnaissance work confirmed high-grade gold in surface samples and identified numerous trends of quartz veins and stockworks at surface, with the opportunity to delineate larger zones of mineralization. The Company now has a program underway that includes mapping at both properties, surface sampling, and ground magnetic surveys, with follow-up trenching planned, to delineate and prioritize targets for drilling later in the year.

At Esperanza, exploration work has identified quartz veins with low sulfidation epithermal textures and more than 16 kilometres of cumulative strike length. The area shows similarities to the Cerro Vanguardia gold district, which is being used as an exploration model. Highlights of vein sampling results include: 24.0 g/t Au over 2 m, 18.0 g/t Au over 0.7 m including visible gold, 13.09 g/t Au over 5 m, 4.16 g/t Au over 2 m and 4.21 g/t Au over 1 m. A distinct set of veins with base metal mineralization returned highlight results of: 99 g/t Ag and 2.8% Cu over 0.2m, 129 g/t Ag, 3.5% Cu and 0.2% Bi over 1.2m, 52 g/t Ag, 0.25% Cu and 724 g/t V over 0.3m.

At Puzzle, ground magnetic surveying has been highly successful in identifying a magnetic low related to a corridor with gold-mineralized quartz veins and adjacent stockwork. The corridor is up to 150 metres in width, and to date has been delineated over 6.5 kilometres in length, and it is open in both directions. The ongoing sampling program has identified mineralized quartz veins and sub-outcrop in the anomaly corridor, with results up to 1.89 g/t gold.

For additional details please refer to the news releases dated September 25, 2019, December 3, 2019 and March 2, 2020. In April 2020, the Company decided to temporarily suspend exploration work due to the COVID-19 crisis.

2.3.2 Portfolio

Golden Arrow has built a portfolio of over 181,000 hectares of exploration properties in four provinces of Argentina. The following is a summary of the most prospective projects for which the Company is seeking joint venture partners, while continuing to review and acquire additional new opportunities. A summary of the geology and exploration programs for each project can be found on the Company's website, and additional details are available in the original news releases filed on SEDAR.

Selected POI Financial Information for the period ended September 18, 2019

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

The following table summarizes the change in investment in POI for the period ended September 18, 2019:

Balance, December 31, 2018	\$	48,833,847
Equity contributions to POI		4,950,999
Company's share of comprehensive loss of POI, net of tax		(3,024,031)
Translation adjustment		(2,061,909)
Subtotal	\$	49,681,856
Total Consideration received		(42,151,469)
Loss on disposition of investment in POI		(6,547,438)
Balance, September 18, 2019	\$	-

Results of Operations – For the three months ended March 31, 2020 compared to the three months ended March 31, 2019

Loss from operating activities

During the three months ended March 31, 2020, loss from operating activities increased by \$224,487 to \$1,653,531 compared to \$1,429,044 for the three months ended March 31, 2019. The increase in loss from operating activities is largely due to:

- An increase of \$434,130 in exploration. Exploration expense was \$944,464 for the three months ended March 31, 2020 compared to \$510,334 for the three months ended March 31, 2019. The Company undertook more exploration work including the drill program at Indiana project and sampling program at Flecha de Oro project during the three months ended March 31, 2020, compared to less exploration work performed during the three months ended March 31, 2019.

The increases were partially offset by the following:

- A decrease of \$133,295 in corporate development and investor relations. Corporate development and investor relations were \$172,580 for the three months ended March 31, 2020 compared to \$305,875 for the three months ended March 31, 2019. The decrease is due to a decrease in corporate activity and promotions resulting in lower costs during the three months ended March 31, 2020, compared to three months ended March 31, 2019.

Other items

During the three months ended March 31, 2020, other items increased by \$1,557,990, to other income of \$207,396 compared to other loss of \$1,350,594 for the three months ended March 31, 2019. The change in other items is largely due to:

- A decrease of \$1,230,165 in loss from POI. Loss from POI was \$Nil for the three months ended March 31, 2020 compared to loss of \$1,230,165 for the three months ended March 31, 2019. The decrease is due to the disposition of the Company's 25% equity interest resulting in no loss for the three months ended March 31, 2020 compared to a loss due to reduced sales volumes and realized prices from processing of lower grade stockpile ore incurred by POI for the three months ended March 31, 2019.
- A decrease of \$338,522 in interest expense. Interest expense related to SSRM credit facility was \$Nil for the three months ended March 31, 2020 compared to \$338,522 for the three months ended March 31, 2019. The Company repaid all accrued and unpaid interest owed under the non-revolving term loan made by SSRM to the Company on disposition of its 25% equity share in POI.

Net loss after tax for the three months ended March 31, 2020 was \$1,446,135 or \$0.01 per basic and diluted loss per share compared to net loss after tax of \$2,779,638 or \$0.03 per basic and diluted loss per share for the three months ended March 31, 2019.

Cash Flows

Operating Activities

Cash outflow from operating activities was \$1,222,698 for the three months ended March 31, 2020 compared to \$1,108,042 for the three months ended March 31, 2019. The decrease in cash outflow results primarily from lower exploration expenditures as well as corporate and administrative cash costs, and changes in non-cash working capital balances due to timing of receipt and payment of cash compared to the prior period.

Investing Activities

Cash inflow from investing activities was \$1,913,298 for the three months ended March 31, 2020 compared to a cash outflow of \$5,119,760 for the three months ended March 31, 2019. Expenditures on mineral property interests were \$210,394 during the three months ended March 31, 2020 compared to \$168,761 during the three months ended March 31, 2019. Expenditures on equipment were \$94,953 during the three months ended March 31, 2020 compared to \$Nil during the three months ended March 31, 2019, due to higher requirements incurred by the Company during the three months ended March 31, 2020. Disposal of marketable securities generated \$2,218,645 during the three months ended March 31, 2020 compared to \$Nil during the three months ended March 31, 2019, due to sales of the SSRM shares held by the Company during the three months ended March 31, 2020. Equity contributions made to POI were \$Nil for the three months ended March 31, 2020, compared to \$4,950,999 for the three months ended March 31, 2019.

Financing Activities

Cash outflow from financing activities was \$24,722 for the three months ended March 31, 2020 compared to cash inflow of \$6,385,400 for the three months ended March 31, 2019. Proceeds from the issuance of common shares and warrants net of share issue costs were \$Nil for the three months ended March 31, 2020, compared to \$4,431,113 for the three months ended March 31, 2019. Proceeds from drawdown of the SSRM Credit Facility were \$Nil during the three months ended March 31, 2020, compared to \$2,404,287 for the three months ended March 31, 2019. Proceeds from loans payable were \$Nil for the three months ended March 31, 2020, compared to \$110,000 for the three months ended March 31, 2019. Repayment of loans were \$Nil for the three months ended March 31, 2020, compared to \$560,000 for the three months ended March 31, 2019. Lease payments were \$24,722 for the three months ended March 31, 2020 compared to \$Nil for the three months ended March 31, 2019.

Balance Sheet

At March 31, 2020, the Company had total assets of \$19,959,729 compared with \$29,904,902 in total assets at December 31, 2019. The decrease primarily results from a decrease in marketable securities of \$10,952,485 partially offset by an increase in cash of \$665,878, and mineral property interests of \$210,394.

Selected Quarterly Financial Information

	2020		2019			2018		
	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30
	\$	\$	\$	\$	\$	\$	\$	\$
Net (Loss) income	(1,446,135) ⁽¹⁾	(1,800,019) ⁽²⁾	(15,409,758) ⁽³⁾	138,004 ⁽⁴⁾	(2,779,638) ⁽⁵⁾	(2,477,834) ⁽⁶⁾	(3,778,217) ⁽⁷⁾	(7,495,248) ⁽⁸⁾
Net (Loss) income per Common Share Basic	(0.01)	(0.01)	(0.13)	(0.00)	(0.03)	(0.02)	(0.04)	(0.08)
Net (Loss) income per Common Share Diluted	(0.01)	(0.01)	(0.13)	(0.00)	(0.03)	(0.02)	(0.04)	(0.08)

- (1) Variance from prior quarter primarily driven by decrease in impairment of exploration and evaluation assets of \$667,014, professional fees of \$60,581, partially offset by increase in exploration expenditures of \$350,705, and salaries and employee benefits of \$68,439.
- (2) Decrease from prior quarter primarily driven by decrease in salaries and employee benefits of \$1,593,130, loss on disposition of POI of \$7,530,387, loss from POI of \$3,386,270, professional fees of \$802,132, SSRM credit facility interest expense of \$520,927, and management fees of \$104,800 partially offset by increase in foreign exchange gain of \$767,077, exploration expenditures of \$331,178, and impairment of exploration and evaluation assets of \$667,014.
- (3) Increase from prior quarter primarily driven by increase in loss on sale of POI of \$7,530,387, loss from POI of 4,978,674, salaries and employee benefits of \$1,495,500, foreign exchange loss of \$900,934, and professional fees of \$858,246, partially offset by decrease in interest expense of \$188,158, and exploration expenditures of \$127,370.

- (4) Increase from prior quarter primarily driven by increase in income from POI of \$2,822,569, foreign exchange gain of \$145,458, partially offset by decrease in corporate development and investor relations of \$137,124, exploration expenditures of \$120,383, and increase in interest expense of \$370,563.
- (5) Increase from prior quarter primarily driven by an increase in loss from POI of \$1,751,632, exploration expenditures of \$337,788, foreign exchange loss of \$856,483, and corporate development and investor relations of \$101,247, partially offset by decrease in impairment of exploration and evaluation assets of \$862,938, and professional fees of \$97,343.
- (6) Decrease from prior quarter primarily driven by an increase in income from POI of \$3,686,048, partially offset by an increase in impairment of exploration and evaluation assets of \$862,938, foreign exchange loss of \$297,097, SSRM credit facility interest expense of \$376,334, professional fees of \$126,915, exploration expenditures of \$140,875,
- (7) Decrease from prior quarter primarily driven by a decrease in exploration expenditures of \$2,447,947, finance recovery for warrants extended of \$473,280, foreign exchange loss of \$423,818, professional fees of \$220,064, partially offset by an increase in loss from POI of \$1,008,926.
- (8) Increase from prior quarter primarily driven by an increase in loss from POI of \$2,900,160, exploration expenditures of \$1,519,612, professional fees of \$220,883, partially offset by a decrease in share-based compensation of \$760,760.

Liquidity and Capital Resources

As of March 31, 2020, the Company had a working capital of \$18,304,091 (December 31, 2019 - \$28,787,965). 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.

The Company does not know of any trends, demand, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the exploration programs.

Credit Facility

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

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

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

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

	December 31, 2019			
Balance – January 1, 2019	CAD	\$ 11,205,397	USD	\$8,213,896
Drawdowns		2,611,789		1,966,931
Foreign exchange gain		(299,501)		-
Interest accrued till September 18, 2019		1,568,534		1,187,682
Principal and interest settled on September 18, 2019		(15,086,219)		(11,368,509)
Balance – December 31, 2019	CAD	\$ -	USD	\$ -

Capital Stock

Authorized Share Capital

At March 31, 2020, 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 March 31, 2020, there were 119,505,315 shares issued and outstanding. Refer to Events After the Reporting Period for further information.

As at the date of this report, there are 119,186,315 shares were issued and outstanding.

Details of Issues of Common Shares in 2020

There were no share issuances during the three months ended March 31, 2020.

Details of Issues of Common Shares in 2019

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

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

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, amended January 9, 2018, totaling a maximum of 9,740,920 share purchase options.

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

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

Number of Warrants Outstanding	Exercise Price (CAD\$)	Expiry Date
11,208,242	\$0.40	February 25, 2021
1,307,869	\$0.40	March 5, 2021
3,484,203	\$0.40	March 21, 2021
4,213,000	\$0.30	June 19, 2022
1,992,000	\$0.30	June 20, 2022
22,205,314		

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

Number of Shares		Exercise Price (CAD\$)	Expiry Date
Outstanding	Exercisable		
1,270,000	1,270,000	\$0.35	June 11, 2020
1,005,000	1,005,000	\$0.32	April 19, 2021
395,000	395,000	\$0.42	April 27, 2021
15,000	15,000	\$0.62	May 29, 2021
3,250,000	3,390,000	\$0.62	June 22, 2022
1,900,000	1,970,000	\$0.70	January 9, 2023
7,835,000	8,045,000		

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 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.

	Year 1 \$	Year 2 \$	Year 3 \$
Management Services Agreement	369,000	492,000	-

	Three months ended March 31,	
	2020 \$	2019 \$
Transactions		
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	93,000	92,400
Office & sundry	50,100	46,300
Total for services rendered	143,100	138,700

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 and Corporate Secretary and Vice President of Corporate Development.

Transactions	Position	Three months ended March 31,	
		2020	2019
		\$	\$
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	7,223
David Terry	Director	22,000	22,195
John Gammon	Director	4,000	3,000
Alfred Hills	Director	3,000	2,950
Total for services rendered		211,250	214,618

As at March 31, 2020, there were \$167,893 (2019 – \$53,355) of costs owed from related corporations for shared services paid by the Company.

Events After the Reporting Period

Normal Course Issuer Bid

- The Company purchased 319,000 of its common shares pursuant to the normal course issuer bid. The shares were returned to the treasury for cancellation on April 24, 2020.

Critical Accounting Estimates and Recent Accounting Pronouncements

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

Reference should be made to the Company's significant accounting policies, estimates and judgements contained in Note 2 of the Company's condensed consolidated interim financial statements for the three months ended March 31, 2020. These accounting policies and estimates can have a significant impact on the financial performance and financial position of the Company.

Financial Instruments

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

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, amounts receivable and exploration funding receivable. The majority of the Company's receivables result from exploration funding for expenses incurred and are with a reputable mining company in good standing.

Overall the Company's credit risk has not changed significantly from the prior year. The Company places its cash and cash equivalents and short-term investments with financial institutions with high credit ratings, the credit risk is minimal.

Liquidity risk (See 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 to fund exploration programs and may require doing so again in the future.

As at March 31, 2020, the Company has \$632,309 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk

(i) Security Prices

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 \$1,517,655. Volatility in market prices of securities 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, 2020 is summarized as follows:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by \$8,000.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by \$3,000.
- A 10% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by \$12,000.
- A 10% change in the Paraguayan Guarani exchange rate relative to the Canadian dollar would change the Company's net loss by \$7,000.

(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 financial statements for the three months ended March 31, 2020 and 2019. 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.

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

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

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

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

Potential conflicts of interest: Several of the Company's directors are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. Such a conflict poses the risk that the Company may enter into a transaction on terms which could place the Company in a worse position than if no conflict existed. The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interest which they 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. 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 bears no interest and short-term investments mature one year from the date of purchase and are redeemable at any time without penalty, with interest paid after thirty days. The fair value of cash and short-term investments approximates their carrying values due to the immediate or short-term maturity of these financial instruments. The Company has a loan agreement with SSR Mining. Interest from the loan agreement is variable based on the greater interest rate of three separate benchmark indices. Refer to Note 7 of the financial statements for further information.

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.

COVID-19 risk: 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.

Forward Looking Statements

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, but not limited to, the risks associated with the Arrangement as well as the risks described in this MD&A under the heading “Risk Factors and Uncertainties”. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. These forward-looking statements are made as of the date of this MD&A and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission exempted Venture Issuers from the requirement to certify disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. The Company is a Venture Issuer; therefore, it files the venture issuer basic certificates. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109 and Internal Controls over Financial Reporting as at March 31, 2020.

Additional Information

Additional information relating to the Company, including news releases, financial statements and prior MD&A filings, is available on SEDAR at www.sedar.com. The Company provides information packages to investors. These packages include materials filed with regulatory authorities. Additionally, the Company attends investment/trade conferences and updates its website (www.goldenarrowresources.com) on a continuous basis.