
Golden Arrow Resources Corporation

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
MARCH 31, 2017 AND 2016

(Unaudited - Expressed in Canadian Dollars)

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

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

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

Golden Arrow Resources Corporation
Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

		March 31, 2017 \$	December 31, 2016 \$
	Note		
ASSETS			
Current assets			
Cash and cash equivalents		8,629,733	8,732,161
Investments	4	382,651	601,853
Amounts receivable		147,484	78,542
Exploration funding receivable	3a	78,328	1,022,853
Prepaid expenses		129,804	177,344
Total current assets		9,368,000	10,612,753
Non-current assets			
Property and equipment		84,058	31,289
Mineral property interests	3	936,132	880,683
Total non-current assets		1,020,190	911,972
Total Assets		10,388,190	11,524,725
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	548,335	1,202,449
Total current liabilities		548,335	1,202,449
EQUITY			
Share capital	5	32,757,331	31,245,207
Reserves	5	17,361,170	17,611,650
Deficit		(40,278,646)	(38,534,581)
Total equity		9,839,855	10,322,276
Total Equity and Liabilities		10,388,190	11,524,725

NATURE OF OPERATIONS (Note 1)

COMMITMENTS (Note 9)

SUBSEQUENT EVENTS (Note 11)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on May 29, 2017. They are signed on the Company's behalf by:

"Joseph Grosso" , Director

"David Terry" , Director

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

Golden Arrow Resources Corporation
Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

		Three months ended March 31,	
	Note	2017	2016
		\$	\$
Expenses			
Administration and management services	6	154,600	190,600
Corporate development and investor relations		527,852	106,425
Depreciation		1,187	-
Exploration	3	744,191	3,155,705
Exploration and other costs recovery	3a	(58,897)	(2,356,425)
Office and sundry	6	60,500	75,371
Professional fees	6	79,891	36,980
Rent, parking and storage	6	31,493	26,305
Salaries and employee benefits	6	130,673	125,939
Share-based compensation		49,801	1,536
Transfer agent and regulatory fees		13,044	13,614
Travel and accommodation		33,757	20,290
Loss from operating activities		1,768,092	1,396,340
Foreign exchange loss (gain)		128,446	(275,427)
(Gain) on sale of marketable securities		(133,256)	-
Interest expense		-	14,869
Interest income		(19,217)	(264)
Loss for the period		1,744,065	1,135,518
Other comprehensive (income) loss			
Items that may be reclassified to profit or loss			
Unrealized (gain) loss on available-for-sale marketable securities		(28,838)	1,155
Other comprehensive loss for the period		(28,838)	1,155
Comprehensive loss for the period		1,715,227	1,136,673
Basic and diluted loss per common share (\$)	7	0.02	0.02

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

Golden Arrow Resources Corporation
Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Three months ended March 31,	
	2017	2016
	\$	\$
Cash flows from operating activities		
Loss for the period	(1,744,065)	(1,135,518)
Adjustments for:		
Depreciation	1,187	-
Depreciation of property and equipment included in exploration expenses	-	7,184
(Gain) on sale of marketable securities	(133,256)	(21,648)
Share-based compensation	49,801	1,536
	<u>(1,826,333)</u>	<u>(1,148,446)</u>
Change in non-cash working capital items:		
(Increase) decrease in amounts receivable	(68,942)	103,396
Decrease in exploration funding receivable	944,525	1,183,860
Decrease (increase) in prepaid expenses	47,540	(12,040)
Increase in interest payable	-	11,347
(Decrease) in accounts payable and accrued liabilities	(654,114)	(1,039,449)
Net cash used in operating activities	<u>(1,557,324)</u>	<u>(901,332)</u>
Cash flows from investing activities		
Mineral property interests	(55,450)	(27,246)
Property and equipment	(53,954)	-
Purchase of marketable securities, net of transaction costs	-	(570,989)
Disposal of marketable securities, net of transaction costs	381,296	1,042,205
Net cash generated by investing activities	<u>271,892</u>	<u>443,970</u>
Cash flows from financing activities		
Issuance of common shares and warrants	-	117,200
Share issue costs	-	(10,500)
Warrants exercised	1,104,005	6,300
Stock options exercised	78,999	-
Loans repaid	-	(171,040)
Net cash generated by (used in) financing activities	<u>1,183,004</u>	<u>(58,040)</u>
Net increase (decrease) in cash and cash equivalents	(102,428)	(515,402)
Cash and cash equivalents at beginning of period	8,732,161	1,012,725
Cash and cash equivalents at end of period	<u>8,629,733</u>	<u>497,323</u>

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

Golden Arrow Resources Corporation
Consolidated Interim Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars)

	Share capital		Commitment to issue shares (Note 10) \$	Reserves			Accumulated other comprehensive income (loss) \$	Deficit \$	Total \$
	Number of shares	Amount \$		Contributed surplus \$	Equity settled share-based payments \$	Warrants \$			
Balance at December 31, 2015	55,836,767	16,362,415	2,929,471	14,153,125	871,792	487,245	(11,934)	(32,652,337)	2,139,777
Private placements	2,918,000	951,531	(1,050,000)	-	-	215,669	-	-	117,200
Share issue costs	39,000	(20,250)	-	-	-	-	-	-	(20,250)
Share-based compensation	-	-	-	-	1,536	-	-	-	1,536
Warrants exercised	25,200	8,886	-	-	-	(2,586)	-	-	6,300
Total comprehensive (loss) for the period	-	-	-	-	-	-	(1,155)	(1,135,518)	(1,136,673)
Balance at March 31, 2016	58,818,967	17,302,582	1,879,491	14,153,125	873,328	700,328	(13,089)	(33,787,855)	1,107,890
Private placements	17,570,000	6,826,305	-	-	-	2,247,195	-	-	9,073,500
Share issue costs	248,584	(890,549)	-	-	-	-	-	-	(890,549)
Agent warrants granted	-	-	-	-	-	448,398	-	-	448,398
Agent warrants exercised	414,924	261,217	-	-	-	(143,800)	-	-	117,417
Agent warrants expired	-	-	-	498	-	(498)	-	-	-
Shares issued for drilling services	1,117,900	1,879,471	(1,879,491)	-	-	-	-	-	-
Share-based compensation	-	-	-	-	751,069	-	-	-	751,069
Stock options exercised	4,002,500	2,070,702	-	-	(678,552)	-	-	-	1,392,150
Stock options expired	-	-	-	8,513	(8,513)	-	-	-	-
Warrants exercised	11,151,539	3,795,479	-	-	-	(831,907)	-	-	2,963,572
Total comprehensive (loss) for the period	-	-	-	-	-	-	105,555	(4,746,726)	(4,641,171)
Balance at December 31, 2016	93,324,414	31,245,207	-	14,162,136	937,332	2,419,716	92,466	(38,534,581)	10,322,276
Share-based compensation	-	-	-	-	25,374	-	-	-	25,374
Stock options granted	-	-	-	-	24,428	-	-	-	24,428
Stock options exercised	230,000	110,468	-	(31,469)	-	-	-	-	78,999
Warrants exercised	3,680,020	1,401,656	-	-	-	(297,651)	-	-	1,104,005
Total comprehensive (loss) for the period	-	-	-	-	-	-	28,838	(1,744,065)	(1,715,227)
Balance at March 31, 2017	97,234,434	32,757,331	-	14,130,667	987,134	2,122,065	121,304	(40,278,646)	9,839,855

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

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

1. NATURE OF OPERATIONS

Golden Arrow Resources Corporation (the “Company” or “Golden Arrow”) was incorporated on July 7, 2004, as a result of a corporate restructuring plan completed by Kobex Minerals Inc. (formerly IMA Exploration Inc.). 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.

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in Argentina and Chile. The Company’s mineral property interests presently have no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. Consequently, the Company considers itself to be an exploration stage company.

The amounts shown as mineral property interests represent costs incurred to date, less option payment proceeds and amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral property interests is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to advance the properties beyond the exploration stage, and future profitability of the properties.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to interim financial statements and to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has experienced recurring operating losses and has an accumulated deficit of \$40,278,646 at March 31, 2017 and equity of \$9,839,855 at March 31, 2017. In addition, the Company has working capital of \$8,819,665 at March 31, 2017 and negative cash flow from operating activities of \$1,557,324 for the three months ended March 31, 2017. 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 continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments (Note 9) and to attain profitable operations. Management’s plan in this regard is to raise equity financing as required.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as applicable to interim financial reports including International Accounting Standards 34 ‘Interim Financial Reporting’.

These interim condensed consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”) and included in Part 1 of the Handbook of the Chartered Professional Accountants of Canada. The policies applied in these interim condensed financial statements are the same as those applied in the most recent annual consolidated financial statements and were consistently applied to all the periods presented unless otherwise noted.

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

These interim condensed consolidated financial statements were approved by the Board of Directors of the Company on May 29, 2017.

Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for marketable securities classified as available-for-sale and as fair value through profit and loss, as well as share purchase warrants classified as fair value through profit and loss that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

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

	Place of Incorporation	Principal Activity
IMPSA Resources Corporation	BC, Canada	Holding company
1049708 B.C. Ltd.	BC, Canada	Holding company
Valle Del Cura S.A.	Argentina	Exploration company
Desarrollo de Recursos S.A.	Argentina	Exploration company
Golden Arrow Chile Ltda.	Chile	Exploration company

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

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

Significant Accounting Estimates and Judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

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

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Critical accounting estimates

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

Critical accounting judgments

- i. Presentation of the condensed consolidated interim financial statements which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- ii. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.
- iii. The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- iv. Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves.

New Accounting Standards and Interpretations

The International Accounting Standards Board ("IASB") has issued new and amended standards and interpretations which have not yet been adopted by the Company. The following is a brief summary of the new and amended standards and interpretations:

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 9 – Financial Instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. In July 2014 IFRS 9, Financial Instruments (“IFRS 9”) was issued. The completed standard provides revised guidance on the classification and measurement of financial assets. It also introduces a new expected credit loss model for calculating impairment for financial assets. This final version of IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 9 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

IFRS 16 – Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

3. MINERAL PROPERTY INTERESTS

The schedules below summarize the carrying costs of acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company is continuing to explore as at March 31, 2017:

Acquisition Costs

	Argentina						
	Antofalla	La Rioja	Caballos	Chinchillas	Pescado	Other	Total
	\$	\$	\$	\$	\$	\$	\$
Balance – December 31, 2016	86,083	29,239	49,616	575,729	39,291	100,725	880,683
Additions							
Staking costs, land payments and acquisition costs	2,871	-	-	52,578	-	-	55,459
Balance – March 31, 2017	88,954	29,239	49,616	628,307	39,291	100,725	936,132

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina						Total \$
	Antofalla	La Rioja	Chinchillas	Caballos	Pescado	Other	
	\$	\$	\$	\$	\$	\$	
Cumulative exploration expenses – December 31, 2016	64,951	1,611,471	31,305,092	326,549	846,944	1,196,744	35,081,751
Expenditures during the period							
Assays	22,503	-	-	-	-	-	22,503
Geophysics and metallurgy	-	-	22,738	-	-	-	22,738
Office	15,152	-	25,421	-	-	4,199	44,772
Property maintenance payments	6,993	-	7,497	-	-	439	14,929
Salaries and contractors	53,244	-	186,039	-	-	28,361	219,744
Social and community	2,183	-	17,032	-	-	189	19,404
Supplies and equipment	83,463	-	62,561	-	-	1,633	147,657
Transportation	35,682	-	12,021	-	-	419	48,122
Value added taxes	54,010	-	93,843	-	-	8,570	156,423
	273,230	-	427,152	-	-	43,810	696,292
Cumulative exploration expenses – March 31, 2017	338,181	1,611,471	31,732,244	326,549	846,944	1,240,554	35,778,043

The schedules below summarize the carrying costs of acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company was continuing to explore as at March 31, 2016:

Acquisition Costs

	Argentina					Total \$
	La Rioja	Caballos	Chinchillas	Pescado	Other	
	\$	\$	\$	\$	\$	
Balance – December 31, 2015	14,853	2,431	1,586,005	33,076	100,725	1,737,090
Additions						
Staking costs, land payments and acquisition costs	-	-	27,246	-	-	27,246
Balance – March 31, 2016	14,853	2,431	1,613,251	33,076	100,725	1,764,336

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina					Chile	Total \$
	La Rioja \$	Chinchillas \$	Caballos \$	Pescado \$	Other \$	Mogote \$	
Cumulative exploration expenses – December 31, 2015	1,606,998	21,801,184	317,952	844,344	842,637	48,322	25,461,437
Expenditures during the period							
Assays	-	336,577	-	-	-	-	336,577
Drilling	-	1,341,396	-	-	-	-	1,341,396
Office	-	176,660	-	-	-	-	176,660
Property maintenance payments	-	4,419	-	-	-	-	4,419
Resource model and project development	-	77,490	-	-	-	-	77,490
Salaries and contractors	-	396,391	-	-	-	-	396,391
Social and community	-	20,762	-	-	-	-	20,762
Supplies and equipment	-	198,049	-	-	-	-	198,049
Transportation	-	32,014	-	-	-	-	32,014
Value added taxes	-	571,947	-	-	-	-	571,947
	-	3,155,1705	-	-	-	-	3,155,1705
Cumulative exploration expenses – March 31, 2016	1,606,998	24,056,889	317,952	844,344	842,637	48,322	28,617,142

(a) Chinchillas, Jujuy, Argentina

On August 3, 2011, the Company announced an option agreement ("Option Agreement") with a private group to acquire a 100% interest in the Chinchillas Silver Project located in Jujuy Province. On July 11, 2014, the Option Agreement for the Chinchillas Silver Project was amended to allow for an extension of the 3rd year option payment in consideration for USD \$6,000 paid monthly until the remaining USD \$250,000 was paid. The Company had the option at any time during the period to pay the remaining 3rd year option payment of USD \$250,000 without incurring any additional monthly amounts.

Under the terms of the Option Agreement, Golden Arrow acquired a 100% interest in the Chinchillas project on July 21, 2015 by making cash payments to the vendor totaling USD \$1,866,000 over four years, as shown below:

Option Payment USD \$	Year
20,000	2011
230,000	2012
250,000	2013
180,000	2014
1,186,000	2015
1,866,000	

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. MINERAL PROPERTY INTERESTS (continued)

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

Business Combination and Pre-Development Activities with Silver Standard Resources Inc.

On September 30, 2015, the Company entered into an agreement (the "Agreement") with Silver Standard Resources Inc. ("Silver Standard") to jointly develop the Chinchillas project and an agreement to combine the producing Pirquitas Mine and the Chinchillas project into a single new joint venture.

Subject to an 18-month period of pre-development activities (the "Preliminary Period"), Silver Standard will have the right to commence an arrangement (the "Arrangement") that will see the Pirquitas Mine and the Chinchillas project combined into a 75% Silver Standard 25% Golden Arrow jointly owned mining business, with Silver Standard assuming the role of operator. The Arrangement received shareholder approval on December 16, 2015 and court approval on December 18, 2015.

During the Preliminary Period, Silver Standard will pay Golden Arrow up to CDN\$2,000,000 on completion of certain milestones as detailed below, and invest up to an estimated US\$12,600,000, with a minimum expenditure commitment of US\$4,000,000, at Chinchillas to advance the project and evaluate the feasibility of developing a combined operation.

Payment	Milestone
500,000	Signing of the transaction agreements
500,000	Receipt of shareholder approval
500,000	Six month anniversary of shareholder approval or date of election to proceed with the joint venture
500,000	Twelve month anniversary of shareholder approval or date of election to proceed with the joint venture
<u>\$2,000,000</u>	

For the three months ended March 31, 2017, the Company recorded \$58,897 in cost recoveries (three months ended March 31, 2016 - \$2,356,425).

The Company received the following in exploration funding for the Chinchillas project:

	Three months ended March 31, 2017,	
	2017	2016
	\$	\$
Exploration and other costs recovery	58,897	2,356,425
Less: Exploration funding received	-	(1,116,451)
<u>Exploration funding receivable for expenses incurred</u>	<u>58,897</u>	<u>1,239,974</u>

As at the date of this report, the Company has \$58,897 in exploration funding receivable outstanding from Silver Standard.

Golden Arrow Resources Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. MINERAL PROPERTY INTERESTS (continued)

Business Combination with Pirquitas Mine

On March 31, 2017, the Company received notice from Silver Standard Resources Inc. to exercise its option on the Chinchillas project and form a joint venture to combine the Chinchillas project with the producing Pirquitas Mine into a single new operation. The joint venture will be owned on a 75% / 25% basis by each company, respectively, subject to closing on or before May 31, 2017. Subsequent to closing, Golden Arrow will receive its share of net cash flow generated by the current stockpile processing at Pirquitas. The combined operation will be managed, overseen, and operated by Silver Standard and its proven operational management team.

(b) Varitas, La Rioja, Argentina

The Company owns a 100% interest in the Varitas property in southern La Rioja Province, Argentina.

(c) Mogote and Purulla Properties, Argentina

The Company owns a 100% interests in the Mogote and Purulla properties in Argentina. The properties are subject to a net smelter return royalty (“NSR”) payable to the vendor.

(d) Caballos, La Rioja, Argentina

The Company owns a 100% interest in the Caballos property in western La Rioja Province, Argentina.

(e) Pescado, San Juan, Argentina

The Company owns a 100% interest in the Pescado Gold Project in San Juan Province, Argentina.

(f) Antofalla, Catamarca, Argentina

The Company entered into an option agreement to acquire a 100% interest in the Antofalla project in Catamarca Province, Argentina. The terms of the option agreement include staged payments over five years totaling US\$1,500,000 for a 100% interest in the property. The vendor would retain a 1% net smelter royalty.

4. INVESTMENTS

At March 31, 2017, the Company held the following:

	Quantity	Amount
Argentina Lithium & Energy Corp. common shares (“Argentina Lithium”)	76,996	\$16,169
Pretium Resources Inc. common shares (“Pretium”)	26,700	\$366,482
		<u>\$382,651</u>

At December 31, 2016, the Company held the following:

	Quantity	Amount
Argentina Lithium & Energy Corp. common shares (“Argentina Lithium”)	76,996	\$26,949
Argentinean Government Bond BONAR17 17APR17 7%	51,700	\$574,904
		<u>\$601,853</u>

Golden Arrow Resources Corporation

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For the three months ended March 31, 2017 and 2016

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4. INVESTMENTS (continued)

The Company has designated its marketable securities in Argentina Lithium and Pretium as available-for-sale financial assets and accordingly, changes in fair value are recorded in other comprehensive income in the period in which they occur. An unrealized gain of \$28,838 was recorded for the three months ended March 31, 2017 (three months ended March 31, 2016 – unrealized loss of \$1,155).

5. CAPITAL AND RESERVES

Authorized Share Capital

The Company's authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in 2017

During the three months ended March 31, 2017, 3,680,020 warrants were exercised for gross proceeds of \$1,104,006.

During the three months ended March 31, 2017, 230,000 stock options were exercised for gross proceeds of \$78,999.

Details of Issues of Common Shares in 2016

On February 17, 2016, the Company completed a non-brokered private placement financing of 2,918,000 units at a price of \$0.40 per unit for gross proceeds of \$1,167,200. Each unit consists of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at a price of \$0.30 per share for one year from the date of issue of the warrant. Finders' fees were \$10,500 in cash and 39,000 in common shares at a price of \$0.25 per share. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 0.48%; expected stock price volatility – 93.86%; dividend yield of 0%; and expected warrant life of 1.00 years.

On May 19, 2016 the Company completed a non-brokered private placement financing of 8,550,000 units at a price of \$0.27 per unit for gross proceeds of \$2,308,500. Each unit consists of one common share and one transferable warrant. 7,635,780 warrants entitle the holders thereof to purchase one additional common share in the capital of the Company at a price of \$0.30 per share for two years from the date of issue. 914,220 warrants entitle the holders thereof to purchase one additional common share in the capital of the Company at a price of \$0.33 per share for two years from the date of issue. Finders' fees were \$48,311 in cash, 162,264 common shares at a price of \$0.30 per share, and 341,566 warrants exercisable into common shares at a price of \$0.30 per share for two years. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 0.56%; expected stock price volatility – 93.45%; dividend yield of 0%; and expected warrant life of 1.45 years.

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5. CAPITAL AND RESERVES (continued)

On July 29, 2016 the Company completed a non-brokered private placement financing of 9,020,000 units at a price of \$0.75 per unit for gross proceeds of \$6,765,000. Each unit consists of one common share and one-half transferable warrant. 4,509,996 warrants entitle the holders thereof to purchase one additional common share in the capital of the Company at a price of \$1.00 per share for eighteen months from the date of issue. The Company is entitled to accelerate the expiry date of the warrants if the 10-day volume weighted average stock price of the Company trades \$1.40 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st date. Finders' fees were \$403,589 in cash, 86,320 common shares at a price of \$0.75 per share, and 478,179 warrants exercisable into common shares at a price of \$1.00 per share for eighteen months. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 0.54%; expected stock price volatility – 97.89%; dividend yield of 0%; and expected warrant life of 1.32 years.

On September 27, 2016, pursuant to the terms of a shares for services agreement (the "Agreement"), the Company obtained TSX Venture Exchange approval to issue 1,117,900 common shares of the Company as payment for completion for certain drilling services. See Note 10 for further information.

Share Purchase Option Compensation Plan

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

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.

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5. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the three months ended March 31, 2017 is as follows:

Expiry date	Exercise Price	December 31, 2016	Granted	Exercised	Expired/ Forfeited	March 31, 2017	Options exercisable
June 24, 2017	\$0.30	50,000	-	-	-	50,000	50,000
November 29, 2017	\$0.31	50,000	-	-	-	50,000	50,000
April 18, 2018	\$0.32	87,500	-	-	-	87,500	87,500
May 9, 2018	\$0.51	35,000	-	-	-	35,000	35,000
May 12, 2018	\$0.68	150,000	-	-	-	150,000	150,000
March 25, 2019	\$0.35	955,000	-	(30,000)	-	925,000	925,000
April 16, 2019	\$0.35	55,000	-	-	-	55,000	55,000
March 9, 2020	\$0.66	-	250,000	-	-	250,000	62,500
June 11, 2020	\$0.35	1,545,000	-	(150,000)	-	1,395,000	1,395,000
April 19, 2021	\$0.32	1,095,000	-	(50,000)	-	1,045,000	1,045,000
April 24, 2021	\$0.42	470,000	-	-	-	470,000	470,000
May 29, 2021	\$0.62	15,000	-	-	-	15,000	15,000
		4,507,500	250,000	(230,000)	-	4,527,500	4,340,000
Weighted average exercise price \$		0.36	0.66	0.34	-	0.38	0.37
Weighted average contractual remaining life (years)		3.29	2.94	-	-	3.03	3.03

The continuity of share purchase options for the three months ended March 31, 2016 is as follows:

Expiry date	Exercise Price	December 31, 2015	Granted	Exercised	Expired/ Forfeited	March 31, 2016	Options exercisable
June 24, 2017	\$0.30	50,000	-	-	-	50,000	50,000
November 25, 2017	\$0.32	200,000	-	-	-	200,000	200,000
November 29, 2017	\$0.31	200,000	-	-	-	200,000	200,000
May 28, 2018	\$0.35	200,000	-	-	-	200,000	200,000
March 25, 2019	\$0.35	2,505,000	-	-	-	2,505,000	2,505,000
April 16, 2019	\$0.35	380,000	-	-	-	380,000	380,000
April 30, 2019	\$0.35	20,000	-	-	-	20,000	20,000
June 11, 2020	\$0.35	2,595,000	-	-	-	2,595,000	2,595,000
		6,150,000	-	-	-	6,150,000	6,150,000
Weighted average exercise price \$		0.35	-	-	-	0.35	0.35
Weighted average contractual remaining life (years)		3.62	-	-	-	3.37	3.37

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5. CAPITAL AND RESERVES (continued)

Warrants

The continuity of warrants for the three months ended March 31, 2017 is as follows:

Expiry date	Exercise Price	December 31, 2016	Issued	Exercised	Expired/ Forfeited	March 31, 2017
February 16, 2017	\$0.30	2,918,000	-	(2,918,000)	-	-
January 28, 2018	\$1.00	4,988,175	-	-	-	4,988,175
May 15, 2018	\$0.30	4,545,883	-	(762,020)	-	3,783,863
May 15, 2018	\$0.33	704,220	-	-	-	704,220
		13,156,278	-	(3,680,020)	-	9,476,258
Weighted average exercise price \$		0.57	-	0.30	-	0.67

The continuity of warrants for the three months ended March 31, 2016 is as follows:

Expiry date	Exercise Price	December 31, 2015	Issued	Exercised	Expired/ Forfeited	March 31, 2016
December 18, 2016	\$0.25	5,213,200	-	(25,000)	-	5,188,100
January 15, 2017	\$0.25	2,641,400	-	-	-	2,641,400
February 17, 2017	\$0.30	-	2,918,000	-	-	2,918,000
February 22, 2017	\$0.26	100,000	-	-	-	100,000
		7,954,600	2,918,000	(25,000)	-	10,847,400
Weighted average exercise price \$		0.25	0.30	0.25	-	0.26

6. RELATED PARTY BALANCES AND TRANSACTIONS

On April 1, 2010, the Company entered into a Management Services Agreement (“Agreement”) with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by an officer and director of the Company and also has another common director with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group’s costs including its staff and overhead costs among the member companies. This fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expired on December 31, 2016 and was automatically renewed for a period of two years pursuant to the terms of the Agreement.

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

Golden Arrow Resources Corporation

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6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Transactions	Three months ended March 31,	
	2017	2016
	\$	\$
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	120,000	156,000
Office & sundry	18,000	54,000
Rent, parking and storage	-	9,000
Total for services rendered	128,000	219,000

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		Three months ended March 31,	
		2017	2016
		\$	\$
Consulting, salaries and professional fees to key management or their consulting corporations:			
Joseph Grosso	Chairman/President/CEO	31,250	31,250
Darren Urquhart	CFO/Corporate Secretary	15,000	15,000
Nikolaos Cacos	Director/VP – Corp. Development	30,000	48,750
Louis Salley	Director	3,000	3,000
David Terry	Director	4,600	4,000
John Gammon	Director	3,000	3,000
Taylor Thoen	Director	3,000	-
Total for services rendered		89,850	105,000

7. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended March 31, 2017 and 2016 was based on the following:

	Three months ended March 31,	
	2017	2016
Loss attributable to common shareholders (\$)	1,744,065	1,135,518
Weighted average number of common shares outstanding	58,071,287	57,269,571

Diluted loss per share did not include the effect of 4,527,500 (2016 – 6,150,000) share purchase options and 9,476,258 (2016 – 10,847,400) common share purchase warrants as they are anti-dilutive.

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8. SEGMENTED INFORMATION

The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the three months ended March 31, 2017

The Company's total non-current assets are segmented geographically as follows:

	Argentina	
	March 31, 2017	December 31, 2016
Mineral property interests (\$)	936,132	880,683
Property and equipment (\$)	84,058	31,289
	1,020,190	911,972

9. COMMITMENTS

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	\$	\$	\$	\$	\$
Management Services Agreement (i)	504,000	672,000	-	-	-
Office Leases (ii)	104,706	66,234	61,200	-	-

(i) Management Services Agreement

Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current monthly fee is \$56,000 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

(ii) Office Leases

The Company entered into office lease agreements for terms of two and three years. The Company has the option to renew the leases at the time of expiry for additional terms of three and four years.

Commitment to Issue Shares for Drilling Services

Under the terms of a shares for services agreement (the "Agreement") signed March 10, 2014 and as amended on November 1, 2014, up to 16,000 meters of drilling shall be paid for by issuing up to a total of 2,378,404 common shares of the Company subject to TSX Venture Exchange approval.

For the three months ended March 31, 2017, the Company issued Nil (three months ended March 31, 2016 – Nil) common shares in respect of drilling services received prior to December 31, 2016 and had recognized \$Nil (three months ended March 31, 2016 - \$1,879,471) for drilling services to be paid for by issuing common shares of the Company subject to TSX Venture Exchange approval in accordance with the terms of the Agreement.

At March 31, 2017, the Company has cumulatively issued 2,378,403 common shares and has recognized \$4,536,137 for a total of 14,680 meters of drilling services received since the commencement of the Agreement.

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10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

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

(a) Fair Values

The Company's financial assets consist of cash and cash equivalents, amounts receivable and investments. For investments classified as available for sale, fair value is determined using closing prices at the balance sheet date with any temporary unrealized gains or losses recognized in other comprehensive income. For investments classified as fair value through profit or loss, fair value is determined using closing prices at the balance sheet date with any unrealized gain or loss recognized in profit or loss.

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

At March 31, 2017 the Company's financial instruments measured at fair value are as follows:

	Level 1	Level 2	Level 3
	\$	\$	\$
Carrying amount March 31, 2017	Fair value March 31, 2017		
Recurring measurements			
Financial Assets			
Investments	382,651	-	-

At December 31, 2016 the Company's financial instruments measured at fair value are as follows:

	Level 1	Level 2	Level 3
	\$	\$	\$
Carrying amount December 31, 2016	Fair value December 31, 2016		
Recurring measurements			
Financial Assets			
Investments	601,853	-	-

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

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

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

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10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

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

	Three months ended March 31,	
	2017	2016
	\$	\$
Investments, beginning of period	601,853	453,803
Purchase of marketable securities	-	570,989
Disposition of marketable securities	(381,296)	(1,042,205)
Realized and unrealized gain (loss) on marketable securities	133,256	21,648
Unrealized gain (loss) included in other comprehensive income	28,838	(1,155)
Investments, end of period	382,651	3,080

(b) Financial Instrument Risk Exposure

Credit risk

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

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future. See Note 1 for further information.

The Company has \$548,335 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

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10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

Market risk

(i) *Currency risk*

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include: US dollars and Argentine Pesos, all denominated in cash, amounts receivable, exploration funding receivable, accounts payable, loan payable and interest payable. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the United States dollar and between the Canadian dollar and the Argentine Peso at March 31, 2017 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 \$49,508.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by \$4,071.

(ii) *Interest rate risk*

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

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

11. SUBSEQUENT EVENTS

Stock Options Exercised

Subsequent to March 31, 2017, 287,500 stock options were exercised for gross proceeds of \$98,000.

Warrants Exercised

Subsequent to March 31, 2017, 345,000 warrants were exercised for gross proceeds of \$103,500.

Working Capital Loan

Subsequent to March 31, 2017, the Company received and repaid an advance of \$521,520 (USD\$384,375) from an arm's length private Argentinean Company for the payment of corporate taxes in Argentina.