Golden Arrow Resources Corporation

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Unaudited - Expressed in Canadian Dollars)

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

	Note	September 30, 2020 $	December 31, 2019 $
ASSETS			
Current assets			
Cash and cash equivalents		8,578,748	2,750,129
Investments	7	16,788,163	26,129,044
Amounts receivable	10	300,849	195,350
Prepaid expenses		235,620	170,380
Total current assets		25,903,380	29,244,903
Non-current assets			
Equipment	4	101,417	31,967
Right-of-use assets	5	195,091	276,579
Mineral property interests	6	240,446	351,453
Total non-current assets		536,954	659,999
Total Assets		26,440,334	29,904,902
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	284,558	358,899
Current portion of lease liabilities		106,672	98,039
Total current liabilities		391,230	456,938
Lease liabilities		100,813	182,321
Total liabilities		492,043	639,259
EQUITY			
Share capital	9	38,692,916	38,820,382
Reserves	9	28,035,007	26,896,681
Deficit		(40,779,632)	(36,451,420)
Total equity		25,948,291	29,265,643
Total Equity and Liabilities		26,440,334	29,904,902

SUBSEQUENT EVENTS (Note 16)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 19, 2020. They are signed on the Company’s behalf by:

“Nikolaos Cacos” , Director

“*David Terry*” , Director

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

	Note	Three months ended September 30, 2020 $	Three months ended September 30, 2019 $	Nine months ended September 30, 2020 $	Nine months ended September 30, 2019 $
Expenses					
Administration and management services	10	115,000	194,650	345,000	427,545
Corporate development and investor relations		358,603	204,908	607,540	679,534
Depreciation		27,819	14,412	83,456	16,218
Exploration	6	267,314	262,581	1,693,266	1,162,866
Office and sundry	10	71,709	61,063	210,262	193,342
Professional fees		58,491	925,784	179,455	1,090,876
Rent, parking and storage		7,157	19,699	21,816	99,437
Salaries and employee benefits	10	214,787	1,735,387	662,361	2,190,011
Transfer agent and regulatory fees		11,101	7,497	29,084	59,702
Travel and accommodation		2,117	6,492	36,861	45,525
Loss from operating activities		(1,134,098)	(3,432,473)	(3,869,101)	(5,965,056)
Foreign exchange gain		(283,291)	(531,695)	(20,708)	61,325
Interest expense – Loans payable		(6,957)	(11,522)	(21,294)	(20,103)
Impairment of exploration and evaluation assets	6	-	-	(418,774)	-
Interest income		1,665	3,516	1,665	7,621
Interest expense – SSRM Credit Facility	8	-	(520,927)	-	(1,568,534)
After tax net loss from POI	3	-	(3,386,270)	-	(3,024,031)
Loss on disposition of investment in POI		-	(7,530,387)	-	(7,530,387)
Loss for the period		(1,422,681)	(15,409,758)	(4,328,212)	(18,039,165)
Other comprehensive income (loss)					
Items that will not be reclassified to profit or loss					
Gain (loss) on sale of marketable securities		3,192,663	(12,227)	3,534,308	(12,227)
Unrealized (loss) gain on marketable securities	7,14a	(5,499,566)	548,055	(2,395,981)	559,797
Items that may be reclassified to profit or loss					
Unrealized gain (loss) on translation to reporting currency	3	-	982,949	-	(1,078,960)
Other comprehensive income (loss) for the period		(2,306,903)	1,518,777	1,138,327	(531,390)
Comprehensive loss for the period		(3,729,584)	(13,890,981)	(3,189,885)	(18,570,555)
Basic and diluted loss per common share ($)	11	(0.01)	(0.13)	(0.04)	(0.17)

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

	Nine months ended September 30, 2020 $	2019 $
Cash flows from operating activities		
Loss for the period	(4,328,212)	(18,039,165)
Adjustments for:		
Depreciation	83,456	16,218
Depreciation of property and equipment included in exploration expenses	25,600	-
Impairment of exploration and evaluation assets	418,774	-
After tax net loss from POI	-	3,024,031
Loss on disposition of investment in POI	-	7,530,387
	(3,800,382)	(7,468,529)
Change in non-cash working capital items:		
Increase in amounts receivable	(105,499)	(111,487)
(Increase) decrease in prepaid expenses	(65,240)	98,600
Increase in interest payable	-	1,566,907
(Decrease) increase in accounts payable and accrued liabilities	(74,342)	1,553,210
Net cash used in operating activities	(4,045,463)	(4,361,299)
Cash flows from investing activities		
Expenditures on mineral property interests	(307,767)	(301,529)
Expenditures on equipment	(97,018)	-
Proceeds of marketable securities, net of transactions costs	10,479,208	1,247
Proceeds from disposition of investment in POI	-	3,000,000
Investments in POI	-	(4,950,999)
Net cash generated by (used in) investing activities	10,074,423	(2,251,281)
Cash flows from financing activities		
Issuance of shares and warrants, net of share issue costs	-	5,595,113
Repurchases of shares, net of share repurchase costs	(127,466)	-
Lease payments	(72,875)	(11,447)
Credit Facility proceeds received	-	2,312,287
Loan proceeds received	-	1,429,000
Loan repayment	-	(1,879,000)
Net cash (used in) generated by financing activities	(200,341)	7,445,953
Net increase in cash and cash equivalents	5,828,619	833,373
Cash and cash equivalents at beginning of period	2,750,129	437,221
Cash and cash equivalents at end of period	8,578,748	1,270,594

SUPPLEMENTARY CASH FLOW INFORMATION (Note 13)

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

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

	Share capital		Reserves							
	Number of shares	Amount $	Contributed surplus $	Equity settled share-based payments $	Warrants $	Accumulated other comprehensive income (loss) $	Cumulative translation adjustment $	Subscriptions payable $	Deficit $	Total $
Balance at December 31, 2018	101,974,517	34,847,881	14,709,865	2,692,660	1,327,342	34,919	1,078,960	250,000	(16,612,236)	38,329,391
Private placement	21,816,512	4,780,356	-	-	1,163,347	-	-	(250,000)	-	5,693,703
Share issue costs	-	(98,591)	-	-	-	-	-	-	-	(98,591)
Agent warrants granted	-	(23,550)	-	-	23,550	-	-	-	-	-
Stock options expired	-	-	149,795	(149,795)	-	-	-	-	-	-
Warrants expired	-	-	1,327,342	-	(1,327,342)	-	-	-	-	-
Returned to treasury for cancellation (Note 3)	(4,285,714)	(685,714)	-	-	-	-	-	-	-	(685,714)
Total comprehensive (loss) income for the period	-	-	-	-	-	547,570	(1,078,960)	-	(18,039,165)	(18,570,555)
Balance at September 30, 2019	119,505,315	38,820,382	16,187,002	2,542,865	1,186,897	582,489	-	-	(34,651,401)	24,668,234
Total comprehensive (loss) income for the period	-	-	-	-	-	6,397,428	-	-	(1,800,019)	4,597,409
Balance at December 31, 2019	119,505,315	38,820,382	16,187,002	2,542,865	1,186,897	6,979,917	-	-	(36,451,420)	29,265,643
Repurchases of common shares	(819,000)	(126,184)	-	-	-	-	-	-	-	(126,184)
Share repurchase costs	-	(1,282)	-	-	-	-	-	-	-	(1,282)
Stock options cancelled/expired	-	-	293,190	(293,190)	-	-	-	-	-	-
Total comprehensive (loss) income for the period	-	-	-	-	-	1,138,326	-	-	(4,328,212)	(3,189,886)
Balance at September 30, 2020	118,686,315	38,692,916	16,480,192	2,249,675	1,186,897	8,118,243	-	-	(40,779,632)	25,948,291

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

1. NATURE OF OPERATIONS

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) **Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and note disclosure included in the annual consolidated financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with the Company's December 31, 2019 audited annual consolidated financial statements.

b) **Basis of presentation**

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

c) **Basis of consolidation**

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Significant Accounting Estimates and Judgments

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future events. 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 expected future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

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

The areas involving critical accounting judgments are:

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

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- The determination of our tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgement by management. In determining these amounts, we interpret tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. We also make estimates of future earnings which affect the extent to which potential future tax benefits may be used. We are subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters.

3. INVESTMENT IN PUNA OPERATIONS JOINT VENTURE

On September 18, 2019, the Company sold its 25% interest in Puna Operations Inc. ("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 $15,086,218, 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 4,285,714 common shares in the capital of the Company held by SSRM representing a value of $685,714. These common shares were returned to the treasury by the Company for cancellation. In aggregate, the Company received a total consideration of $42,151,468.

The following table summarizes the change in investment in POI for the period ended September 18, 2019 and the year ended December 31, 2018:

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	$	48,698,906
Total Consideration received		(42,151,468)
Loss on disposition of investment in POI		(6,547,438)
Balance, September 18, 2019	$	-

4. EQUIPMENT

	Vehicles $	Other $	Total $
Cost			
Balance at December 31, 2019	-	115,516	115,516
Additions	88,153	7,602	95,755
Balance at September 30, 2020	88,153	123,118	211,271
Accumulated Depreciation			
Balance at December 31, 2019	-	83,549	83,549
Depreciation	-	26,305	26,305
Balance at September 30, 2020	-	109,854	109,854
Carrying Amount			
At December 31, 2019	-	31,967	31,967
At September 30, 2020	88,153	13,264	101,417

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. RIGHT-OF-USE ASSETS

During the year ended December 31, 2019, the Company capitalized two office lease arrangements in accordance with IFRS 16. The continuity schedule of right-of-use assets for the nine months ended September 30, 2020 is as follows:

	Total $
Cost	
Balance at December 31, 2018	-
Additions	303,597
Balance at December 31, 2019 and September 30, 2020	303,597
Accumulated Depreciation	
Balance at December 31, 2018	-
Depreciation	27,018
Balance at December 31, 2019	27,018
Depreciation	81,488
Balance at September 30, 2020	108,506
Carrying Amount	
At December 31, 2019	276,579
At September 30, 2020	195,091

6. 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 September 30, 2020:

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

6. MINERAL PROPERTY INTERESTS (continued)

Acquisition Costs

	Argentina				Chile			Paraguay		
	Flecha de Oro $	**La Rioja $**	**Caballos $**	**Pescado $**	**Indiana $**	**Rosales $**	**Atlantida $**	**Tierra Dorada $**	**Other $**	**Total $**
Balance – December 31, 2018	-	1	1	1	128,098	-	534,341	-	7,236	669,678
Additions										
Staking costs, land payments and acquisition costs	-	-	-	-	84,090	-	119,304	98,135	-	301,529
Balance – September 30, 2019	-	1	1	1	212,188	-	653,645	98,135	7,236	971,207
Additions										
Staking costs, land payments and acquisition costs	19,864	-	-	-	8,773	-	13,370	5,253	-	47,258
Impairment of exploration and evaluation assets	-	-	-	-	-	-	(667,014)	-	-	(667,014)
Balance – December 31, 2019	19,864	1	1	1	220,961	-	1	103,388	7,236	351,453
Additions										
Staking costs, land payments and acquisition costs	1,949	-	-	-	197,813	3,292	-	104,713	-	307,767
Impairment of exploration and evaluation assets	-	-	-	-	(418,774)	-	-	-	-	(418,774)
Balance – September 30, 2020	21,813	1	1	1	-	3,292	1	208,101	7,236	240,446

Exploration Expenditures

	Argentina					Chile			Paraguay		
	Flecha de Oro $	**La Rioja $**	**Caballos $**	**Pescado $**	**Antofalla $**	**Indiana $**	**Rosales $**	**Atlantida $**	**Tierra Dorada $**	**Other $**	**Total $**
Cumulative exploration expenses December 31, 2019	215,177	1,615,263	335,577	1,386,568	5,413,789	385,581	-	550,625	31,014	1,275,182	11,208,776
Expenditures during the period											
Assays	21,264	-	-	491	-	-	-	-	-	-	21,755
Geophysics	1,846	-	-	-	-	-	-	-	12,699	-	14,545
Drilling	-	-	-	-	-	-	-	-	55,005	-	55,005
Metallurgy	-	-	-	-	-	-	-	-	376	-	376
Environmental	273	-	-	30	-	-	-	-	-	-	303
Office	98,900	-	-	10,004	-	96,767	1,648	-	53,838	-	261,157
Property maintenance payments	47,798	2,845	8,023	3,255	-	21,787	-	2,278	-	7,680	93,666
Salaries and contractors	413,527	-	-	14,302	-	359,094	32,399	-	117,785	-	937,107
Social and community	21,842	-	-	-	-	-	-	-	-	-	21,842
Supplies and equipment	30,470	-	-	853	-	1,512	2,400	-	8,442	1,863	45,540
Transportation	28,533	-	-	1,052	-	3,118	-	-	16,236	-	48,939
Value added taxes	39,370	168	474	1,772	-	77,391	32,342	-	40,950	564	193,031
	703,823	3,013	8,497	31,759	-	559,669	68,789	2,278	305,331	10,107	1,693,266
Cumulative exploration expenses September 30, 2020	919,000	1,618,276	344,074	1,418,327	5,413,789	945,250	68,789	552,903	336,345	1,285,289	12,902,042

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

6. MINERAL PROPERTY INTERESTS (continued)

The schedule below summarize all exploration expenditures incurred to date for each mineral property interest that the Company was continuing to explore as at September 30, 2019:

	Argentina				Chile			
	Antofalla $	**La Rioja $**	**Caballos $**	**Pescado $**	**Atlantida $**	**Indiana $**	**Other $**	**Total $**
Cumulative exploration expenses December 31, 2018	4,843,596	1,613,101	329,474	1,321,927	36,528	47,837	1,259,688	9,452,151
Expenditures during the period								
Assays	1,616	-	-	180	-	-	17,460	19,256
Environmental reports	(1,184)	-	-	1,347	-	-	6,010	6,173
Office	87,738	-	-	9,749	18	-	1,395	98,900
Property maintenance payments	7,701	2,142	6,046	773	-	-	8,355	25,017
Salaries and contractors	194,364	-	-	21,596	381,657	264,159	18,674	880,450
Social and community	7,647	-	-	850	-	-	9,406	17,903
Supplies and equipment	14,676	-	-	1,617	15,979	7,494	7,717	47,483
Transportation	9,372	-	-	933	6,866	3,321	2,878	23,370
Value added taxes	32,111	213	603	3,695	-	-	7,692	44,314
	354,041	2,355	6,649	40,740	404,520	274,974	79,587	1,162,866
Cumulative exploration expenses September 30, 2019	5,197,637	1,615,456	336,123	1,362,667	441,048	322,811	1,339,275	10,615,017

(a) Tierra Dorada Project, Paraguay

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

Option Payment USD $	Year
36,000 (paid)	2018
75,000 (paid)	2020
100,000	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	

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

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

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

6. MINERAL PROPERTY INTERESTS (continued)

Option Payment USD $	Year
10,000 (paid)	2019
15,000 (paid)	2020
65,000	2021
100,000	2022
200,000	2023
400,000	2024
500,000	2025
800,000	2026
2,090,000	

(c) Indiana Project, Chile

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

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

During the nine months ended September 30, 2020, the Company determined that it would not be exploring the Indiana project further based on the exploration work done to the end of the period and would discontinue option payments. The Company impaired $418,774 in acquisition costs.

7. INVESTMENTS

At September 30, 2020, the Company held the following:

	Quantity	Fair Value
SSR Mining Inc. common shares ("SSRM")	675,580	$16,788,163
		$16,788,163

At December 31, 2019, the Company held the following:

	Quantity	Fair Value
SSR Mining Inc. common shares ("SSRM")	1,045,580	$26,129,044
		$26,129,044

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. INVESTMENTS (continued)

The Company has elected to classify its marketable securities at FVOCI (Fair Value through Other Comprehensive Income) and accordingly, changes in fair value are recorded in other comprehensive income (loss) in the period in which they occur. The Company realized a gain of $3,534,308 in other comprehensive income (loss) for the nine months ended September 30, 2020 (nine months ended September 30, 2019 – loss of $12,227). An unrealized loss of $2,395,981 was recorded in comprehensive income (loss) for the nine months ended September 30, 2020 (nine months ended September 30, 2019 – gain of $559,797). (See also Note 14a).

8. 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%.

	December 31, 2019			
Balance – January 1, 2019	CAD	$ 11,205,397	USD	$8,213,896
Drawdowns		2,611,788		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		(15,086,218)		(11,368,509)
Balance – December 31, 2019	CAD	$ -	USD	$ -

9. CAPITAL AND RESERVES

Authorized Share Capital

At September 30, 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.

Details of Issues of Common Shares in 2020

There were no share issuances during the nine months ended September 30, 2020.

Details of Common Shares Repurchases in 2020

On March 12, 2020, the TSX Venture Exchange accepted a notice of intention whereby the Company made a Normal Course Issuer Bid ("NCIB") to purchase its own common shares for cancellation through the facilities of the Exchange or other recognized marketplaces at the prevailing market price. The Company can repurchase up to 10,658,050 common shares of the 119,505,315 issued and outstanding common shares available at the date the NCIB commenced.

9. CAPITAL AND RESERVES (continued)

During the nine months ended September 30, 2020, the Company acquired and cancelled 819,000 of its own common shares for an aggregate purchase price of $126,184 and common share repurchase costs of $1,282. Refer to Note 16 for further information.

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 issued 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 issued 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, totaling a maximum of 8,364,371 share purchase options. On January 9, 2018, the Stock Option Plan was amended allowing for a maximum total share purchase options of 9,740,920.

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

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

9. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the nine months ended September 30, 2020 is as follows:

Expiry date	Exercise Price	December 31, 2019	Granted	Exercised	Cancelled/ Expired	September 30, 2020	Options exercisable
June 11, 2020	$0.35	1,270,000	-	-	(1,270,000)	-	-
April 19, 2021	$0.32	1,005,000	-	-	-	1,005,000	1,005,000
April 27, 2021	$0.42	395,000	-	-	-	395,000	395,000
May 29, 2021	$0.62	15,000	-	-	-	15,000	15,000
June 22, 2022	$0.62	3,390,000	-	-	(140,000)	3,250,000	3,250,000
January 9, 2023	$0.70	1,970,000	-	-	(70,000)	1,900,000	1,900,000
		8,045,000	-	-	(1,480,000)	6,565,000	6,565,000
Weighted average exercise price $		0.55	-	-	0.39	0.59	0.59
Weighted average contractual remaining life (years)		2.09	-	-	-	1.63	1.63

The continuity of share purchase options for nine months ended September 30, 2019 is as follows:

Expiry date	Exercise Price	December 31, 2018	Granted	Exercised	Expired	September 30, 2019	Options exercisable
March 25, 2019	$0.35	725,000	-	-	(725,000)	-	-
April 16, 2019	$0.35	55,000	-	-	(55,000)	-	-
June 11, 2020	$0.35	1,270,000	-	-	-	1,270,000	1,270,000
April 19, 2021	$0.32	1,005,000	-	-	-	1,005,000	1,005,000
April 27, 2021	$0.42	395,000	-	-	-	395,000	395,000
May 29, 2021	$0.62	15,000	-	-	-	15,000	15,000
June 22, 2022	$0.62	3,490,000	-	-	(100,000)	3,390,000	3,390,000
January 9, 2023	$0.70	2,045,000	-	-	(75,000)	1,970,000	1,970,000
		9,000,000	-	-	(955,000)	8,045,000	8,045,000
Weighted average exercise price $		0.53	-	-	0.41	0.55	0.55
Weighted average contractual remaining life (years)		2.85	-	-	-	2.34	2.34

Warrants

The continuity of warrants for the nine months ended September 30, 2020 is as follows:

Expiry date	Exercise Price	December 31, 2019	Issued	Exercised	Expired/ Forfeited	September 30, 2020
February 25, 2021	$0.40	11,208,242	-	-	-	11,208,242
March 5, 2021	$0.40	1,307,869	-	-	-	1,307,869
March 21, 2021	$0.40	3,484,203	-	-	-	3,484,203
June 19, 2022	$0.30	4,213,000	-	-	-	4,213,000
June 20, 2022	$0.30	1,992,000	-	-	-	1,992,000
		22,205,314	-	-	-	22,205,314
Weighted average exercise price $		0.37		-	-	0.37

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

9. CAPITAL AND RESERVES (continued)

The continuity of warrants for the nine months ended September 30, 2019 is as follows:

Expiry date	Exercise Price	December 31, 2018	Issued	Exercised	Expired/ Forfeited	September 30, 2019
January 28, 2019	$1.00	4,509,996	-	-	(4,509,996)	-
February 25, 2021	$0.40	-	11,208,242	-	-	11,208,242
March 5, 2021	$0.40	-	1,307,869	-	-	1,307,869
March 21, 2021	$0.40	-	3,484,203	-	-	3,484,203
June 19, 2022	$0.30	-	4,213,000	-	-	4,213,000
June 20, 2022	$0.30	-	1,992,000	-	-	1,992,000
		4,509,996	22,205,314	-	(4,509,996)	22,205,314
Weighted average exercise price $		1.00	0.37	-	1.00	0.37

10. 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	123,000	492,000	-

	Nine months ended September 30,	
Transactions	2020 $	2019 $
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	279,000	341,450
Office & sundry	110,100	105,445
Total for services rendered	389,100	446,895

Key management personnel compensation

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

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

10. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Transactions	**Position**	Nine months ended September 30, 2020 $	2019 $
Consulting, salaries, and professional fees:			
Joseph Grosso	Chairman/President/CEO	206,250	758,350
Darren Urquhart	CFO	45,000	95,000
Nikolaos Cacos	Director/VP – Corp. Development	90,000	330,000
Brian McEwen	VP Exploration	142,500	292,500
Connie Norman	Corporate Secretary	54,000	94,000
Louis Salley	Director	9,000	9,000
David Terry	Director	66,000	66,195
John Gammon	Director	18,000	9,000
Alfred Hills	Director	19,000	33,550
Total for services rendered		649,750	1,687,595

As at September 30, 2020, there was $264,526 (2019 – $118,825) of costs owed from related corporations for shared services paid by the Company.

11. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted loss per share for the nine months ended September 30, 2020 and 2019 was based on the following:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
(Loss) earnings attributable to common shareholders ($)	(1,422,681)	(15,409,758)	(4,328,212)	(18,039,165)
Weighted average number of common shares outstanding	118,947,185	114,902,831	119,202,383	104,054,014

The Company incurred a loss attributable to common shareholders for the nine months ended September 30, 2020, therefore the impact of dilutive securities is anti-dilutive.

12. SEGMENTED INFORMATION

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

	September 30, 2020				
	Canada $	Argentina $	Chile $	Paraguay $	Total $
Equipment ($)	3,280	-	-	98,137	101,417
Mineral property interests ($)	-	29,052	3,293	208,101	240,446
	3,280	29,052	3,293	306,238	341,863

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

12. SEGMENTED INFORMATION (continued)

	December 31, 2019			
	Argentina	Chile	Paraguay	Total
	$	$	$	$
Equipment ($)	29,429	-	2,538	31,967
Mineral property interests ($)	27,103	220,962	103,388	351,453
	56,532	220,962	105,925	383,420

13. SUPPLEMENTARY CASH FLOW INFORMATION

	Nine months ended September 30,	
	2020	2019
	$	$
Non-cash investing and financing activities:		
Private placements – issuance of warrants	-	1,163,347
Share issue cost – issuance of warrants to agents	-	23,550
Stock options expired	293,190	149,795
Warrants expired	-	1,327,342
Purchase of marketable securities	-	23,379,536
Credit Facility repayment	-	15,086,219
Common shares cancelled	-	685,714

14. FINANCIAL INSTRUMENTS

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

(a) Fair Values

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

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

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

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

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

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

14. FINANCIAL INSTRUMENTS (continued)

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

	Nine months ended September 30,	
	2020 $	2019 $
Investments, beginning of period	26,129,044	1,732
Disposition of marketable securities	(10,479,208)	(1,247)
Realized gain included in other comprehensive income	3,534,308	(12,227)
Unrealized (loss) gain included in other comprehensive income	(2,395,981)	559,797
Marketable securities received on disposition of investment in POI	-	23,379,536
Investments, end of period	16,788,163	23,927,591

(b) Financial Instrument Risk Exposure

Credit risk

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

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

Liquidity risk

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

As of September 30, 2020, the Company had working capital of $25,512,150 (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.

	1 Year $	2 Years and more $
Accounts payable and accrued liabilities	284,558	-

14. FINANCIAL INSTRUMENTS (continued)

Market risk

(i) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in the market prices. Investments in marketable securities measured at fair value are exposed to changes in share prices that would result in gains or losses recognized in the Company's other comprehensive income. A 10% change in prices would change the Company's other comprehensive loss by $1,678,816. Volatility in securities market prices have increased as a result of the COVID-19 outbreak. Refer to Note 1 for further information.

(ii) ***Currency risk***

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include cash accounts, amounts receivable and accounts payable in: US dollars, Argentine Pesos, Chilean Pesos and Paraguayan Guarani. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the United States dollar, Argentine Peso, Chilean Peso and Paraguayan Guarani at September 30, 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 $17,000.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $500.
- A 10% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $6,500.
- A 10% change in the Paraguayan Guarani exchange rate relative to the Canadian dollar would change the Company's net loss by $1,000.

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

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

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

15. CAPITAL MANAGEMENT (continued)

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

16. SUBSEQUENT EVENTS

Normal Course Issuer Bid

- The Company purchased 2,328,076 of its common shares pursuant to the normal course issuer bid for an aggregate purchase price of $395,773 and common share repurchase costs of $4,283.