

Golden Arrow Resources Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

Introduction

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed consolidated interim financial statements of Golden Arrow Resources Corporation ("the Company") for the three months ended March 31, 2021 and 2020 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of May 28, 2021.

Company Overview

Golden Arrow Resources Corporation (the "Company") was incorporated on September 22, 2015, under the Business Corporations Act in the province of British Columbia. The address of the Company's registered office is Suite 312 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6. The Company is listed on the TSX Venture Exchange, trading under the symbol "GRG", the OTCQX, trading under the symbol "GARWF", and the Frankfurt Stock Exchange, trading under the symbol "G6A".

The Company is a natural resource company engaged in the acquisition, exploration and development of resource properties in South America. The Company is engaged in the business of acquiring, exploring and evaluating natural resource properties and either joint venturing or developing these properties further or disposing of them when the evaluation is completed.

Principal Assets

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

Exploration Projects

1. Argentina

1.1 Flecha de Oro Gold Project, Rio Negro

1.1.1 Background and Agreements

The Flecha de Oro Gold Project includes 13,920 hectares in the province of Rio Negro, Argentina. The properties are road-accessible at a modest elevation of approximately 950 metres above sea level that allows for year-round exploration. The closest central town is Los Menucos, situated about 22 kilometres southeast of the Puzzle property. The target of the project is high and low-sulphidation epithermal gold mineralization.

The project initially included the optioned Puzzle and Esperanza exploration properties, consisting of 1,952 hectares and 9,968 hectares respectively. Under the terms of the Definitive Agreement announced September 25, 2019, Golden Arrow must make staged payments to the vendor totaling US\$2,090,000 over eight years to earn a 100% interest in both properties. The vendor will retain a 1% royalty, which can be reduced to 0.25% for an additional US\$1,000,000. As announced on September 14th, 2020, due to the work restrictions imposed by COVID-19, Golden Arrow negotiated with the property vendor to delay 50% of the September 2020 payment to July of 2021 and extend the subsequent payment to July 2022.

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

On June 8, 2020, the Company announced that it had added a third property area to the project, under a separate option agreement. The Maquinchao area is comprised of two adjacent concessions of 500 and 1500 hectares respectively. The properties are located approximately 70 kilometres south-southwest of the Puzzle concessions. Golden Arrow signed an option agreement to earn 100% of the properties. The owner will retain 1% net smelter royalty. There are no minimum work commitments.

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

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

1.1.2 Exploration

Golden Arrow's due diligence and reconnaissance work confirmed high-grade gold in surface samples and identified numerous trends of quartz veins and stockworks at surface, with the opportunity to delineate larger zones of mineralization. The Company initiated a program of mapping at both properties, as well as surface sampling and ground magnetic surveys. (This work is summarized below; for additional details of the early program please refer to the news releases dated September 25, 2019, December 3, 2019, March 2, 2020 and June 8, 2020.) In April 2020, the Company suspended field work due to the COVID-19 crisis. The technical team undertook data processing of results to refine targets for follow-up when field work resumed. In addition, as reported on September 14, 2020, Golden Arrow commenced the permitting process for exploration at Maquinchao.

At Esperanza, early exploration work identified quartz veins with low sulfidation epithermal textures occurring over more than 16 kilometres of cumulative strike length. The area shows similarities to the Cerro Vanguardia gold district, which is being used as an exploration model. Highlights of vein sampling results include: 24.0 g/t Au over 2 m, 18.0 g/t Au over 0.7 m including visible gold, 13.09 g/t Au over 5 m, 4.16 g/t Au over 2 m and 4.21 g/t Au over 1 m. A distinct set of veins with base metal mineralization returned highlight results of: 99 g/t Ag and 2.8% Cu over 0.2m, 129 g/t Ag, 3.5% Cu and 0.2% Bi over 1.2m, 52 g/t Ag, 0.25% Cu and 724 g/t V over 0.3m. Subsequent targets include a series of sub-parallel quartz veins in an apparent structural corridor that was mapped over 230 metres in length and up to 30 metres of width, and remains open in both directions along strike. Highlights from sampling of this target include: 24.4 g/t gold and 13.6 g/t silver from a float/boulder sample; 5.23 g/t gold and 32.3 g/t silver over 0.30 metres from a vein chip sample, and; 4.3 g/t gold and 2.3 g/t silver over 0.30 metres from a vein chip sample.

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

On December 7, 2020 Golden Arrow announced the resumption of field activities, beginning with a new trenching and sampling program of up to 2,500 metres to delineate and prioritize targets for drilling. The program commenced at the Puzzle property and in early March moved to the Esperanza property. On April 29th, 2021, the Company announced the first results from the program. Results from the first 10 trenches at Puzzle identified gold in multiple samples over significant widths in several trenches, but at grades below the threshold targeted by the Company. As a result, the Esperanza property was prioritized for on-going exploration. At Esperanza, trenches were opened to sample areas where the earlier surface sampling programs returned high-grade gold in the vein corridors defined by outcropping quartz veins, boulders and quartz float. Results for the first ten trenches are summarized in Table 1 below. Of particular note are results from a single vein, mapped over 540 metres of strike extent, that returned significant gold intervals in trenches T-6 and T-10, located approximately 160 metres apart. Work is expected to continue through May 2021, with approximately 25 additional trenches awaiting completion or return of assays.

Table 1. Summary of Gold Intervals from Trenches 1 – 10, Esperanza target, Flecha de Oro Project.

Trench	Width (m)	Au g/t	Ag g/t
T-1	1.4	2.58	1.2
	0.3	1.03	0.9
T-2	1.2	0.39	1.7
T-3	1.8	3.19	16.3
	0.5	0.96	18.5
T-4	0.9	1.10	
T-5	no significant mineralization		
T-6	1.0	5.52	
T-7	no significant mineralization		
T-8	no significant mineralization		
T-9	no significant mineralization		
T-10	5.0	2.98	
	<i>Incl. 2.0</i>	<i>6.21</i>	

1.2. Portfolio

Golden Arrow has built a portfolio of over 181,000 hectares of exploration properties in four provinces of Argentina. These properties are prospective for a variety of precious and base metal deposit types, and have had varying degrees of work completed in the past. The Company seeks option/joint venture partners to explore the portfolio projects as they are often in remote locations requiring significant work and time commitments to fully evaluate them. This strategy allows Golden Arrow to focus on lower-risk projects that can be quickly and efficiently advanced, while continuing to review and acquire additional new opportunities. A summary of the geology and exploration programs for the most prospective portfolio projects can be found on the Company's website, and additional details are available in the original news releases filed on SEDAR.

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

2. Paraguay

2.1. Tierra Dorada Gold Project, Paraguay

2.1.1. Background and Agreement

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

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

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

2.1.2 Exploration

On December 5, 2019, Golden Arrow reported that it commenced its work program in the southern property block at one of the four previously identified target areas known as Alvaro. At the Alvaro target area there are four known showings, (“Showings 1-4”) spanning 2.5 kilometres, with sub-outcropping gold-mineralized quartz vein boulders. At Showing 1, sampling by a previous operator reportedly yielded assays of up to 148.4 g/t Au. A detailed review of these sub-outcrops indicated two parallel structures striking northeast, 25 metres apart with gold-bearing massive crystalline quartz suboutcrop occurring over a strike length of approximately 200 metres. Historic values and Golden Arrow samples averaged 59.2 g/t Au in one of the structures (based on 6 samples) and 34.6 g/t Au in the other (based on 2 samples). Additional field work in the area identified a new, previously un-sampled, sub-outcrop area of aligned quartz vein boulders 150 metres in length; a grab sample assayed 47.4 g/t Au. This vein is parallel to the previous two and located 250 metres to the northwest, but is highly brecciated including clasts of host rock, possibly indicating a significant breccia zone in this area, now called Showing 4.

On May 27, 2020, the Company reported that assays had been received from channel samples in the first four of eight trenches dug at the Alvaro prospect earlier in the field season. Highlights of 89.5 g/t gold and 61 g/t silver over 0.93 metres, including 143.40 g/t gold and 95.8 g/t silver over 0.58 metres, were reported from Trench 1 at Showing 1. New boulder sampling over a kilometre to the south of this trench returned 13.7 g/t Au.

On July 30, 2020, Golden Arrow reported additional results from trenching, including assays of 11.14 g/t gold and 6.36 g/t gold from a 0.78 wide vein at Showing 4.

On August 28, 2020, the Company announced that it had commenced the first diamond drilling program at the Alvaro target area. With the current prospecting permit for the Tierra Dorado project, the Company can drill holes up to 20 metres in depth, which is sufficient for testing near-surface prospects to delineate targets for deep drilling in greater detail than is possible with trenching. The drill program was designed to include a nominal 500 metres of drilling in shallow holes to test at least 8 of the known quartz vein showings, including the hanging wall and footwall rocks which were difficult to sample with trenching.

The end of the program was announced on January 19, 2021, with 550 metres drilled in 41 holes at showings 1, 2 and 4. The program provided key insights into the location and behavior of gold mineralized veins at Alvaro. Highlights of gold intercepts include:

- 143.5 g/t gold over 0.5m, within 6m averaging 14.53 g/t gold at 3-9m depth (DHTD18, Showing 1)
- 11.8 g/t gold over 3.16m, within 7.75m averaging 6.09 g/t gold at 1.70-9.35m depth (DHTD35, Showing 2)

Coincident with the drill program, Golden Arrow completed a 4.2km² IP survey at Showings 1-4 and surroundings. The survey identified multiple new targets, including:

- 1700 m anomalous trend including Showing 1, open to the NE & SW; SW extent connects to broad higher chargeability anomaly;
- A strong coincident chargeability and resistivity anomaly identified 250m SW of Showing 2;
- A higher chargeability zone coincident with sub-outcrops of ferriferous gneiss northwest of Showing 3.

The Company plans to complete a deeper drilling program upon receipt of the requisite exploration permits, which have been applied for. In the meantime, the Golden Arrow exploration team has commenced a detailed soil sampling program over the new geophysical targets that have no surface outcrop, to help refine drill targets in those areas. In addition, mapping, trenching and surface sampling programs at the Alvaro target, and regionally throughout the project area, are ongoing.

3. Chile

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

3.1 Rosales Copper Project

3.1.1 Background

On July 20, 2020, Golden Arrow announced that it had acquired the Rosales Copper Project in Region III, Chile. The project currently includes 3,900 hectares in a combination of 100% held properties and additional sole applications for properties, which are expected to be granted to Golden Arrow.

The project is road-accessible and is situated less than 90 kilometres from the mining centre of Copiapo, where full exploration and mining services and infrastructure are readily available. Rosales has several priority target areas characterized by zones of near-surface copper stockwork mineralization, potentially related to larger mineralized systems at depth.

3.1.2 Exploration

The initial reconnaissance program at Rosales identified two general areas of prospective mineralization: The Margarita Mine trend (MMT), and the NW Target.

The MMT is a 3.5-kilometre-long structural corridor, oriented northeast-southwest, mainly defined by a felsic dyke. Situated within the corridor, the Margarita Mine is a small operating underground copper mine. Plus 1% copper values are hosted in crackle breccias and veins along lithologic boundaries and fault traps, extending outwards from core of the structural corridor up to 200 metres. Approximately one third of the southwest part of the MMT is located within the Rosales Project, and similar mineralization has been found in this part of the trend on the Rosales property at surface. Chalcocite and chrysocolla was identified in outcrop, filling fractures and disseminated in andesite host rock, within an area covering 100 x 200 metres. Five rock chip samples from this area averaged 2.53% copper with a highest value of 4.37 % Cu. There are further indications of a manto-type mineralization two to four metres thick in this zone.

Based on geological mapping interpretation, the projected strike extension of the MMT to the southwest on the Rosales concessions should intercept a limestone unit at the base of the Jurassic sequence which could be a prospective host for replacement style copper mineralization. This conceptual target will be further evaluated with geophysical methods.

The NW Target is located 2.7 kilometres to the northwest of the MMT. It includes outcrop with veinlets and fractures hosting quartz-chalcopyrite-copper oxides within an area measuring 1,500 by 400 metres. This mineralization is hosted by porphyritic andesite and dacite, which may represent a dome complex. Eight chip samples collected from old trenches and pits throughout the target area averaged 3.19% Cu and 13.9g/t Ag with a highest value of 5.74% Cu and 37.1g/t Ag. Most of the chip samples were taken over 2 metres of width from trenches between 50 and 400 metres apart. The anomalous silver values together with the presence of low temperature opaline-silica veinlets in the dacite suggests a possible epithermal system at depth. Two samples from the east end of the target of quartz-chalcedony veins contained low metal values.

Reconnaissance sampling also detected four other showings with mineralization in old pits. Six samples returned values ranging from 1.42% to 4.66% Cu; Additional mapping and sampling work is planned to further assess these areas.

The Company has embarked on a Phase 1 exploration program. Detailed mapping of the Margarita Trend and NW targets will be completed, as well as a soil sampling program, as announced on September 14, 2020. A Transient Electromagnetic (TEM) surface geophysical survey is being conducted in May. The goal of the program is to detect and delineate prospective electromagnetic conductor responses, consistent with near-surface copper stockwork mineralization, potentially related to Manto-type mineralized copper systems at depth.

3.2 Indiana Gold-Copper Project

3.2.1 Background & Agreement

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

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

In January 2020 Golden Arrow announced that it had renegotiated the terms of the agreement such that Golden Arrow had the right to earn 100% of the Project over a 74-month period, expiring in December 2024, for a total cost of US\$15,170,000. The back-in retention/joint-venture option for the vendor was removed, and the schedule of payments was reduced for the initial years. The agreement incorporated escalating work commitments over the first three years, including: a minimum 2,500 metre drill program in 2020 and a further minimum 2,500 metre drill program and commencement of preliminary engineering studies before the end of 2021.

3.2.2 Exploration

On October 10, 2019 the Company announced that it was completing pre-drilling work, prior to conducting a planned drilling program. On February 19, 2020 the Company announced the commencement of an initial 12 hole, 2,500 metre drilling program at Indiana to confirm grades and widths of high-grade mineralized shoots. If successful, an additional 2,500 metres was budgeted to test the broader potential of the system. In April 2020, the Company suspended exploration work due to the COVID-19 crisis, at which time 960 metres in 4 holes had been drilled and samples sent to the lab for analysis. Following a review of the initial data and additional market factors, Golden Arrow announced on July 20, 2020 that it was not proceeding with the project option and wrote-off \$418,774 in acquisition costs.

Results of Operations – For the three months ended March 31, 2021 compared to the three months ended March 31, 2020

Loss from operating activities

During the three months ended March 31, 2021, loss from operating activities decreased by \$54,129 to \$1,599,402 compared to \$1,653,531 for the three months ended March 31, 2020. The decrease in loss from operating activities is largely due to:

- A decrease of \$318,528 in exploration expenses. Exploration expense was \$625,936 for the three months ended March 31, 2021 compared to \$944,464 for the three months ended March 31, 2020. The Company undertook less exploration work during the three months ended March 31, 2021, compared to exploration work performed during the three months ended March 31, 2020.

The decreases were partially offset by:

- An increase of \$349,092 in share-based compensation. Share-based compensation was \$349,092 for the three months ended March 31, 2021 compared to \$Nil for the three months ended March 31, 2020. The increase is due to the granting of 4,655,000 fully vested stock options during the three months ended March 31, 2021, compared to no granting and vesting of stock options during the three months ended March 31, 2020.

Other items

During the three months ended March 31, 2021, other income decreased by \$3,433 to \$203,963 compared to \$207,396 for the three months ended March 31, 2020. The change in other items is largely due to:

- A decrease of \$49,953 in foreign exchange gain. Foreign exchange gain was \$164,110 for the three months ended March 31, 2021, compared to a gain of \$214,063 for the three months ended March 31, 2020. The increase is due to fluctuation in foreign exchange rates and differing amounts of foreign currencies held during the three months ended March 31, 2021 compared to the three months ended March 31, 2020.

Net loss for the three months ended March 31, 2021 was \$1,395,439 or \$0.01 per basic and diluted loss per share compared to a net loss of \$1,446,135 or \$0.01 basic and diluted loss per share for the three months ended March 31, 2020.

Cash Flows

Operating Activities

Cash outflow from operating activities was \$894,544 for the three months ended March 31, 2021 compared to \$1,222,698 for the three months ended March 31, 2020. The decrease in cash outflow results primarily from lower corporate and administrative cash costs, and changes in non-cash working capital balances due to timing of receipt and payment of cash compared to the prior period.

Investing Activities

Cash outflow from investing activities was \$187,513 for the three months ended March 31, 2021 compared to a cash inflow of \$1,913,298 for the three months ended March 31, 2020. Expenditures on mineral property interests were \$187,513 during the three months ended March 31, 2021 compared to \$210,394 during the three months ended March 31, 2020. Expenditures on equipment were \$Nil during the three months ended March 31, 2021 compared to \$94,953 during the three months ended March 31, 2020, due to higher requirements incurred by the Company during the three months ended March 31, 2020. Disposal of marketable securities generated \$Nil during the three months ended March 31, 2021 compared to \$2,218,645 during the three months ended March 31, 2020, due to sales of the SSRM shares held by the Company during the three months ended March 31, 2020.

Financing Activities

Cash outflow from financing activities was \$26,370 for the three months ended March 31, 2021 compared to \$24,722 for the three months ended March 31, 2020. Lease payments were \$26,370 for the three months ended March 31, 2021 compared to \$24,722 for the three months ended March 31, 2020.

Financial Position

At March 31, 2021, the Company had total assets of \$18,736,451 compared with \$25,002,630 in total assets at December 31, 2020. The decrease primarily results from decreases in the fair value of marketable securities of \$5,127,652, cash of \$1,108,427 and accounts receivable of \$210,315, partially offset by an increase in mineral property interests of \$187,513.

Selected Quarterly Financial Information

	2021	2020				2019		
	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$
Net (Loss) income	(1,395,439) ⁽¹⁾	(1,476,144) ⁽²⁾	(1,422,681) ⁽³⁾	(1,459,396) ⁽⁴⁾	(1,446,135) ⁽⁵⁾	(1,800,019) ⁽⁶⁾	(15,409,758) ⁽⁷⁾	138,004 ⁽⁸⁾
Net (Loss) income per Common Share Basic	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.13)	0.00
Net (Loss) income per Common Share Diluted	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.13)	0.00

- (1) Variance from prior quarter primarily driven by increase in foreign exchange gain of \$541,348, exploration expenditures of \$399,673, share based compensation of \$349,092, partially offset by decrease in corporate development and investor relations of \$129,573, and professional fees of \$94,668.
- (2) Increase from prior quarter primarily driven by decrease in corporate development and investor relations of \$88,360, partially offset by increase in professional fees of \$80,367, and foreign exchange loss of \$93,947.
- (3) Decrease from prior quarter primarily driven by decrease in exploration expenditures of \$214,174, impairment of exploration and evaluation assets of \$418,774 partially offset by increase in corporate development and investor relations of \$282,246 and foreign exchange loss of \$331,811.
- (4) Increase from prior quarter primarily driven by decrease in exploration expenditures of \$462,976, foreign exchange gain of \$165,543, corporate development and investor relations of \$96,223, partially offset by increase in impairment of exploration and evaluation assets of \$418,774.
- (5) Decrease from prior quarter primarily driven by decrease in impairment of exploration and evaluation assets of \$667,014, professional fees of \$60,581, partially offset by increase in exploration expenditures of \$350,705, and salaries and employee benefits of \$68,439.
- (6) Decrease from prior quarter primarily driven by decrease in salaries and employee benefits of \$1,593,130, loss on disposition of POI of \$7,530,387, loss from POI of \$3,386,270, professional fees of \$802,132, SSRM credit facility interest expense of \$520,927, and management fees of \$104,800 partially offset by increase in foreign exchange gain of \$767,077, exploration expenditures of \$331,178, and impairment of exploration and evaluation assets of \$667,014.
- (7) Increase from prior quarter primarily driven by increase in loss on sale of POI of \$7,530,387, loss from POI of 4,978,674, salaries and employee benefits of \$1,495,500, foreign exchange loss of \$900,934, and professional fees of \$858,246, partially offset by decrease in interest expense of \$188,158, and exploration expenditures of \$127,370.
- (8) Increase from prior quarter primarily driven by increase in income from POI of \$2,822,569, foreign exchange gain of \$145,458, partially offset by decrease in corporate development and investor relations of \$137,124, exploration expenditures of \$120,383, and increase in interest expense of \$370,563.

Liquidity and Capital Resources

As of March 31, 2021, the Company had a working capital of \$17,636,261 (December 31, 2020 - \$23,990,038). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. The Company believes it has adequate working capital to maintain operations for the next 12 months.

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

Capital Stock

Authorized Share Capital

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

As at March 31, 2021, there were 116,358,239 shares issued and outstanding.

As at the date of this report, there are 116,358,239 shares were issued and outstanding.

Details of Issues of Common Shares in 2021

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

Details of Issues of Common Shares in 2020

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

Details of Common Share Repurchases in 2020

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

The NCIB expired and there were no share repurchases during the three months ended March 31, 2021. During the year ended December 31, 2020, the Company acquired and cancelled 3,147,076 of its own common shares for an aggregate purchase price of \$521,546 and common share repurchase costs of \$5,976. Shareholders may obtain a copy of the Notice of Intention to Make a Normal Course Issuer Bid, without charge, by contacting the Company.

Share Purchase Option Compensation Plan

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

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

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

Number of Warrants Outstanding	Exercise Price (CAD\$)	Expiry Date
4,213,000	\$0.30	June 19, 2022
1,992,000	\$0.30	June 20, 2022
11,051,611	\$0.40	February 25, 2023
1,290,367	\$0.40	March 5, 2023
3,462,034	\$0.40	March 21, 2023
22,009,012		

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

Number of Share Options		Exercise Price (CAD\$)	Expiry Date
Outstanding	Exercisable		
15,000	15,000	\$0.62	May 29, 2021
3,250,000	3,250,000	\$0.62	June 22, 2022
1,900,000	1,900,000	\$0.70	January 9, 2023
4,655,000	4,655,000	\$0.25	January 19, 2026
9,820,000	11,220,000		

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Related Party Balances and Transactions

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

The Management Services Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of \$750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of \$1,000,000. The agreement expires on December 31, 2021 and is automatically renewed for additional terms of two years unless otherwise terminated pursuant to the terms of the agreement. The Company's commitment under this agreement is as follows:

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

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

Key management personnel compensation

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

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

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

Critical Accounting Estimates and Recent Accounting Pronouncements

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

Reference should be made to the Company's significant accounting policies, estimates and judgements contained in Note 2 of the Company's condensed consolidated interim financial statements for the three months ended March 31, 2021. These accounting policies and estimates can have a significant impact on the financial performance and financial position of the Company.

Financial Instruments

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

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, amounts receivable and exploration funding receivable. The majority of the Company's receivables result from exploration funding for expenses incurred and are with a reputable mining company in good standing.

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

Liquidity risk (See Liquidity and Capital Resources)

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

As at March 31, 2021, the Company has \$202,746 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk

(i) Security Prices

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

(ii) Currency risk

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

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by \$515,000.

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

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears no interest and short-term investments are redeemable at any time without penalty, with interest paid from the date of purchase. The fair value of cash and short-term investments approximate their carrying values due to the immediate or short-term maturity of these financial instruments. Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

Risk Factors and Uncertainties

The Company's operations and results are subject to a number of different risks at any given time. These factors include, but are not limited to, disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. A number of the risks and uncertainties are discussed below.

History of losses: The Company has historically incurred losses as evidenced by its condensed consolidated interim financial statements for the three months ended March 31, 2021 and 2020. The Company has financed its operations principally through the sale of its equity securities and through debt. The Company does not anticipate that it will earn any revenue from its operations until its properties are placed into production, if ever. If the Company is unable to place its properties into production, the Company may never realize revenues from operations, will continue to incur losses and you may lose the value of your investment.

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

Potential conflicts of interest: Several of the Company's directors are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. Such a conflict poses the risk that the Company may enter into a transaction on terms which could place the Company in a worse position than if no conflict existed. The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interest which they may have in any project or opportunity of the Company. However, each director has a similar obligation to other companies for which such director serves as an officer or director. The Company has no specific internal policy governing conflicts of interest.

Competition with larger, better capitalized competitors: The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, base and precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

Title risk: Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Price risk: The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly gold. The prices of these metals, especially gold, greatly affect the value of the Company and the potential value of its property and investments.

Financial Markets: The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Political risk: Exploration is presently carried out in Argentina and Chile and is currently being reviewed worldwide. This exposes the Company to risks that may not otherwise be experienced if all operations were domestic. Political risks may adversely affect the Company's potential projects and operations. Real and perceived political risk in some countries may also affect the Company's ability to finance exploration programs and attract joint venture partners, and future mine development opportunities.

Credit risk: Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on cash, short-term investments, share purchase warrants and amounts receivable. The Company limits its exposure to credit loss by placing its cash and short-term investments with major financial institutions.

Liquidity risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company raises capital through equity issues and debt and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company's cash is invested in bank accounts.

Interest risk: The Company's bank accounts do not earn interest income. Cash bears no interest and short-term investments mature one year from the date of purchase and are redeemable at any time without penalty, with interest paid after thirty days. The fair value of cash and short-term investments approximates their carrying values due to the immediate or short-term maturity of these financial instruments. The Company had a loan agreement with SSR Mining. Interest from the loan agreement was variable based on the greater interest rate of three separate benchmark indices. Refer to Note 8 of the financial statements for further information.

Currency risk: Business is transacted by the Company in a number of currencies. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction.

Community risk: The Company has negotiated with the local communities on its mineral property concessions for access to facilitate the completion of geological studies and exploration work programs. The Company's operations could be significantly disrupted or suspended by activities such as protests or blockades that may be undertaken by such certain groups or individuals within the community.

Environmental risk: The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

COVID-19 risk: On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as “COVID-19” as a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions.

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

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

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

Forward Looking Statements

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

Disclosure Controls and Procedures and Internal Control over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission exempted Venture Issuers from the requirement to certify disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. The Company is a Venture Issuer; therefore, it files the venture issuer basic certificates. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109 and Internal Controls over Financial Reporting as at March 31, 2021.

Additional Information

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