

Golden Arrow Resources Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

Introduction

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated financial statements of Golden Arrow Resources Corporation ("the Company") for the years ended December 31, 2018 and 2017 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 April 29, 2019.

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.

Basis of presentation

This MD&A has been prepared on a continuity of interest basis once the plan of arrangement referred to in Note 3 of the audited consolidated financial statements had occurred. The plan of arrangement was determined to be a capital reorganization and is excluded from the scope of IFRS 3 – Business Combinations.

Principal Assets

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

1. Puna Operations Inc. Mining Joint Venture (25% Ownership)

1.1 Puna Operations Background

On October 1, 2015, Golden Arrow announced that it had signed a business combination agreement with SSR Mining Inc. ("SSR"; TSX: SSRM; NASDAQ: SSRM) to combine SSR's Pirquitas Silver-Zinc mining operation ("Pirquitas") and Golden Arrow's Chinchillas silver-lead-zinc project ("Chinchillas") into a single new mining business in the Province of Jujuy, Argentina. The agreement gave Golden Arrow a 25% interest in the combined business, with SSR holding the remaining 75% and acting as operator.

The agreement included a preliminary period of up to 18 months (the "Preliminary Period") in which the two companies worked together to complete pre-development studies to advance the knowledge of the Chinchillas deposit and evaluate the feasibility of mining Chinchillas, with ore processing and concentrate production using the mill and plant at Pirquitas. During the Preliminary Period, SSR made payments totaling \$2 million to the Company on completion of certain milestones and for granting SSR the rights to conduct pre-development activities at Chinchillas.

At the end of the Preliminary Period on March 31, 2017, SSR exercised its option on the Chinchillas project and on May 31, 2017, SSR and the Company formed Puna Operations Inc. (“POI”) for the development of the property. The jointly owned company, holding the Pirquitas and Chinchillas properties, is owned 75% by SSR and 25% by the Company with SSR as the operator. Upon vesting by SSR, the agreement specified that an amount equal to 25% of the Pirquitas mine's cash equivalent earnings, if any, during the Preliminary Period, less certain expenditures for exploration (including pre-development expenditures), capital investment and closure costs as based on a pre-defined formula (the “Pirquitas Payment”), was payable on closing of the transaction. On May 31, 2017, the Company closed the transaction as outlined above. Upon closing of the transaction, the Company received \$17.8 million for the Pirquitas Payment.

The business combination provided Golden Arrow with an opportunity to fast-track development of the Chinchillas property, in a capital efficient manner, through use of the existing production facilities at the Pirquitas mine and establishment of common infrastructure, while benefitting from SSR's proven management team with extensive mine construction and operational expertise.

1.2 Pirquitas Background

The Pirquitas silver operation is a 100% owned property, positioned at an elevation of 4,100 meters above sea level and is accessible by all-weather roads. The open-pit mine achieved commercial production on December 1, 2009 and produces silver and zinc concentrates for sale to third party smelters. On-site mine facilities include a 4,000 tonne per day (“tpd”) mill and a processing plant with gravity pre-concentrator and a conventional mineral flotation circuit. The operation owns a fleet of trucks, loading units and other equipment for open-pit mining. In the first quarter of 2017 the mine stopped its open-pit mining activities and began processing stockpiled ore material, which resulted in 6.2 million ounces of silver produced in 2017¹. Processing of stockpiled material continued into 2018. During the first quarter of 2018, the operation produced 0.9 million ounces of silver from stockpiles. During the second quarter 1.0 million ounces of silver were produced along with 1.5 million pounds of zinc from stockpiles. During the third quarter of 0.7 million ounces of silver and 3.2 million pounds of zinc and were produced from stockpiles. The fourth quarter was largely Chinchillas ore being processed.

1.3 Chinchillas Background

The Chinchillas silver-lead-zinc deposit is a 100% owned property located approximately 42 road kilometres from Pirquitas. Between 2012 and 2015 Golden Arrow advanced the property from a grassroots exploration project to a preliminary economic assessment level deposit. From October 2015 to March 2017 the pre-development program was conducted in conjunction with SSR, as part of the business combination agreement. The program included multiple drill programs to further define and upgrade resources, engineering and environmental studies, and the submission of the Environmental Impact report to the local mining authorities. The work culminated in the publishing of a pre-feasibility study (“PFS”) for the project, as supported by a NI 43-101 Technical Report filed on SEDAR dated May 15th, 2017. Details of the project geology, exploration history and the mine development and operation plan using the Pirquitas facilities are available in the report. The following summarizes the key highlights:

(All financial results are in U.S. dollars and all technical data are presented on a 100% project basis.)

- Average annual silver equivalent production of 8.4 million ounces over an eight-year mine life at a 4,000 tpd plant throughput.
- Robust operating margins based on cash costs of \$7.40 per payable ounce of silver sold over the life of mine.
- Post-tax net present value of \$178 million using a 5% discount rate and metal prices of \$19.50 per ounce silver, \$0.95 per pound lead and \$1.00 per pound zinc.
- Attractive post-tax internal rate of return of 29%.
- Near-term production based on construction that began in the third quarter of 2017, subject to permitting, followed by ore delivery to the Pirquitas mill in the second half of 2018.
- Low capital costs based on initial capital expenditures, including owner's costs and contingency, estimated to be \$81 million.
- Capital cost estimates assume utilizing certain property, plant and equipment from the Pirquitas mine. All costs incurred prior to the declaration of commercial production are considered capital costs.

¹ SSR Mining (Feb 22, 2018) *SSR Mining Reports Fourth Quarter and Year-End 2017 Results* [Press Release]. Retrieved from <http://ir.ssrmining.com/investors/news/press-release-details/2018/SSR-Mining-Reports-Fourth-Quarter-and-Year-End-2017-Results/default.aspx>

As part of the PFS Golden Arrow worked with SSR to update the mineral resource estimate and define mineral reserves for Chinchillas, as summarized in the tables below.

Table 1: Chinchillas Mineral Resources Estimate (as at October 2, 2016)

Category	Tonnes	AgEq	Ag	Pb	Zn	AgEq	Ag	Pb	Zn
	(Mt)	(g/t)	(g/t)	%	%	(Moz)	(Moz)	(Mlb)	(Mlb)
Measured	3.1	160	128	0.60	0.41	16	13	41	28
Indicated	26.2	148	98	0.94	0.62	124	83	540	358
Total (M+I)	29.3	149	101	0.90	0.60	140	96	581	386
Inferred	20.9	94	50	0.54	0.81	63	34	250	374

Notes:

1. Mineral Resources estimate was prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Counsel – Definitions adopted by the CIM Counsel on May 10, 2014 (the “CIM Standards”) and reported in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) under the direction of Robert Sim, P.Geo, SIM Geological Inc., a qualified person.
2. Mineral Resources estimate has been generated from drill hole sample assay results and the interpretation of a geologic model relating to the spatial distribution of silver, lead and zinc. Interpolation characteristics were defined based on the geology, drill hole spacing, and geostatistical analysis of the data. Grade estimates using ordinary kriging are made into model blocks measuring 8 x 8 x 5 metres (LxWxH). Mineral Resources were classified according to their proximity to sample data locations.
3. Mineral Resources are contained within a pit shell generated using a silver equivalent grade derived from the following formula: $AgEq = Ag \text{ g/t} + (Pb\% * 30.49) + (Zn\% * 33.54)$. Mineral Resources estimate is based on metal price assumptions of \$22.50/oz silver, \$1.00/lb lead and \$1.10/lb zinc.
4. The base case cut-off grade, which reflects the transport and processing of ore at Piriquitas, is estimated to be 60 g/t AgEq based on projected operating costs and metal prices listed above.
5. Metallurgical recoveries, used in the generation of the pit shell, are assumed to be 85% silver, 93% lead and 80% for zinc.
6. Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
7. The quantity and grade of reported Inferred Mineral Resources are uncertain in nature and there has been insufficient exploration to classify these Inferred Mineral Resources as Indicated or Measured Mineral Resources. We intend to conduct further exploration to upgrade the Inferred Mineral Resources; however, due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.
8. Figures may not total exactly due to rounding. All ounces reported represent troy ounces, and “g/t” represents grams per tonne.

Table 2: Chinchillas Mineral Reserves (as at December 31, 2016)

Category	Tonnes	Ag	Pb	Zn	Ag	Pb	Zn
	(Mt)	(g/t)	%	%	(Moz)	(Mlb)	(Mlb)
Proven	1.6	180	0.75	0.42	9	27	15
Probable	10.1	150	1.27	0.50	48	282	111
Total ¹⁰	11.7	154	1.20	0.49	58	310	127

Notes:

1. Mineral Reserves estimate was prepared in accordance with the CIM Standards and reported in accordance with NI 43-101 under the direction of Anoush Ebrahimi, P.Eng, Ph.D., SRK Consulting (Canada) Inc., a qualified person.
2. Mineral Reserves estimate is based on metal price assumptions of \$18.00/oz silver, \$0.90/lb lead and \$1.00/lb zinc.
3. Mineral Reserves estimate is reported at a cut-off grade of \$32.56 per tonne net smelter return.
4. All figures include dilution. The average mining dilution is calculated to be 11%.
5. Ore loss is estimated at 2%.
6. There is an estimated 54.89 Mt of waste in the ultimate pit. The strip ratio is 4.69 (waste:ore)
7. Processing recoveries vary based on the feed grade. The average recovery is estimated to be 85% for silver, 95% for lead and approximately 80% for zinc.
8. Metals shown in this table are the contained metals in ore mined and processed.
9. This Mineral Reserves estimate assumes that all required permits, as discussed under the heading “Environment, Communities and Permitting” will be obtained.
10. Figures may not total exactly due to rounding. All ounces reported represent troy ounces, and “g/t” represents grams per tonne.

1.4 Operations

The development of the Chinchillas project was initiated on June 1, 2017, following the filing of the PFS and the formation of POI.

In December 2017, the Chinchillas mine Environmental Impact Assessment ("EIA") approval was received including final negotiations on land leases and community commitments. As such, pre-stripping and construction contractors were mobilized in the first quarter of 2018 and development operations continued into the fourth quarter of the year, including pre-stripping and test processing.

On December 1st, 2018 SSR declared commercial production for Chinchillas². The project now operates the open pit mine at Chinchillas with delivery of ore via conventional haul trucks to the existing Pirquitas processing plant.

Highlights of Puna's Fourth Quarter and Year End Production 2018 results as reported by SSR³ included:

- 2018 production of 3.7 million ounces of silver, 8.8 million pounds of zinc and 3.1 million pounds of lead.
- During the year, ore was milled at an average of 3,890 tonnes per day.
- In the fourth quarter, ore was milled at an average of 3,720 tonnes per day and silver production was 1.2 million ounces.

Subsequent to the period SSR reported production of 2.4 million ounces of silver in the first quarter of 2019, with lead and zinc production of 6.8 million pounds and 1.6 million pounds, respectively⁴

Detailed production statistics for POI are published by SSR in annual and quarterly news releases which are available on their website: <http://ssrmining.com>.

1.5 Reserves and Resources

SSR Mining publishes updated reserve and resource tables on an annual basis, including those for the Chinchillas deposit, the remaining stockpiled ore at Pirquitas and the underground Pirquitas resources. These tables are available from their website at: http://www.ssrmining.com/resources/reserves_resources.pdf.

2. Exploration Projects

Golden Arrow's portfolio of exploration prospects are held by a wholly-owned B.C. subsidiary, New Golden Explorations Inc. (formerly B.A. Exploration Corp.) ("New Golden").

2.1 Chile

In October 2018 Golden Arrow announced that it was expanding its exploration ventures into Chile. Chile is host to multiple "world-class" copper and gold deposits and is viewed as a stable jurisdiction with a favourable mining code for foreign investment, ranking in the top 10 countries on the Fraser Institute's 2018 "Investment Attractiveness Index".

² SSR Mining (Dec 1, 2018) SSR Mining Declares Commercial Production at the Chinchillas Mine [Press Release] Retrieved from: <http://ir.ssrmining.com/investors/news/press-release-details/2018/SSR-Mining-Declares-Commercial-Production-at-the-Chinchillas-Mine/default.aspx>

³ SSR Mining (Feb 21, 2019) SSR Mining Reports Fourth Quarter and Year-End 2018 Results [Press Release]. Retrieved from <http://ir.ssrmining.com/investors/news/press-release-details/2019/SSR-Mining-Reports-Fourth-Quarter-and-Year-End-2018-Results/default.aspx>

⁴ SSR Mining (Apr 10, 2019) SSR Mining Reports First Quarter 2019 Production Results [Press Release]. Retrieved from <http://ir.ssrmining.com/investors/news/press-release-details/2019/SSR-Mining-Reports-First-Quarter-2019-Production-Results/default.aspx>

2.1.1 Atlantida Copper-Gold Project

On October 11, 2018 Golden Arrow announced the signing of two definitive agreements to acquire the 3,450 hectare Atlantida copper-gold project in Chile's 3rd Region. The terms of the option agreements included staged payments totaling US\$6,000,000 for a 100% interest in the property as shown below:

Option Payment USD \$	Year
200,000 (paid)	2018
400,000	2019
650,000	2020
1,100,000	2021
1,650,000	2022
4,000,000	

The vendor retains a 2% Net Smelter Royalty.

Option Payment USD \$	Year
250,000 (paid)	2018
100,000	2019
150,000	2020
1,500,000	2021
2,000,000	

The vendor retains a 1% Net Smelter Royalty.

Atlantida is an advanced project which combines mineral rights from two separate owners and includes an extensively drilled copper-gold deposit with an historic resource estimate. By consolidating the land package, Golden Arrow believes there is potential to identify new mineralization and define a significant copper-gold resource. The Project is road-accessible, workable year-round, and is located 60 kilometres northeast of Copiapó at an altitude of 1700 metres above sea level.

Golden Arrow has completed legal and technical due diligence on the Project. The Company is planning a program to delineate and drill test targets throughout the project area.

2.1.2 Indiana Gold-Copper Project

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

Terms for the Definitive Agreement included staged payments totaling US\$15,170,000 for a 100% interest in the property as shown below:

Option Payment USD \$	Year
100,000 (paid)	2018
70,000 (paid)	2019
1,000,000	2019
2,000,000	2020
5,000,000	2021
7,000,000*	2022
15,170,000	

*Prior to Golden Arrow making the last payment of \$7M at the end year four, the vendor has the option of retaining 25% of the project, which will then move forward on a pro rata basis.

The Company is planning a program to complete a resource estimate at the Measured and Indicated level in the existing deposit area, as well as an economic assessment, and a program to delineate and drill test targets throughout the Project area to delineate other resources.

2.2 Argentina

Golden Arrow's holds approximately 215,000 hectares of exploration properties in four provinces of Argentina. The following summary discusses only the most active/material projects. In the third quarter the Company announced that its portfolio of exploration prospects in Argentina have been transferred to a newly incorporated, wholly-owned B.C. subsidiary, New Golden Explorations Inc. (formerly B.A. Exploration Corp.) ("New Golden").

2.2.1 Antofalla Silver and Base Metals Project, Catamarca

On July 11, 2016, the Company announced that it entered into an option agreement to acquire a 100% interest in the Antofalla project, a silver and base metals project located in Catamarca Province, Argentina. Antofalla hosts similar styles of geology and mineralization to the Company's Chinchillas Silver Project. The terms of the option agreement include staged payments over five years totaling US\$1,500,000 for a 100% interest in the property as shown below.

Option Payment USD \$	Year
100,000 (paid)	2017
200,000 (paid)	2018
350,000	2019
400,000	2020
450,000	2021
1,500,000	

The vendor retains a 1% net smelter royalty.

On October 17, 2016, Golden Arrow announced the initiation of a \$2 million exploration program at the project. The first part of the program included remote sensing, a 10,500 m IP/Resistivity geophysical survey, and geochemical sampling to delineate drill targets. On May 2, and July 11, 2017, Golden Arrow announced results from the program, which identified several new high-potential targets and returned promising geochemical results.

On March 22, 2018, Golden Arrow announced that it has commenced the first diamond drill program at the Antofalla project. The program included 3,020 metres of drilling in 11 holes on multiple targets in a 4x4 kilometre area that were delineated in the 2017 surface exploration and trenching programs. The program identified a new geologic target at the Cizalla Norte zone, consisting of silver and base metal mineralization in a shear belt, comprised of two parallel composite shear zones, and underlying sandstones. The shear belt incorporates silicified breccias, as intercepted in hole DDA-07 which returned up to 3 metres averaging 191 g/t silver. In the same drill hole, multiple intersections over a 70 metre interval in the adjacent sandstone were well mineralized, including 1 metre averaging 283 g/t silver and 2.1% zinc, 3 metres averaging 131 g/t silver, and, 1 metre averaging 110 g/t silver, 1.7% lead and 4.1% zinc. The hole ended in mineralization at 275 m depth. Details of the drill program were reported in a news release dated September 4th, 2018.

During fiscal 2018, the Company determined that it would not be exploring the Antofalla project further, and wrote-off \$548,414 in acquisition costs.

2.2.2. Pescado Gold Project, San Juan

The Pescado Gold Project includes 11 mineral claims in the Gualcamayo area of San Juan covering nearly 22,000 hectares, to which the Company has an exclusive right.

The northern boundary of the Pescado Gold Project is 10 kilometres south of the main gold zone on the Gualcamayo gold mine, in a similar geological and structural setting. It is between 1,500 metres and 3,000 metres elevation and is accessible for year-round exploration. The project has had large-scale, systematic silt sampling, follow-up soil grids and rock sampling surveys carried out over much of the property area. In total 806 rock samples, 383 stream sediment samples and 479 soil samples have been collected on the project. Highlights from rock chip sampling include: 1 m of 17.59 g/t Au; 1 m of 10.75 g/t Au and 1 m of 6.68 g/t Au ; 16 m of 0.602 g/t gold, including 2 m of 1.27 g/t Au; 2 m of 3.46 g/t Au and 2 m of 3.15 g/t Au ; 2 m of 0.13 g/t Au, 10.2 g/t Ag, >1% Cu, 3,535 ppm Pb and 2,719 ppm Zn (see news release dated February 19, 2008 for further details). A helicopter-borne aeromagnetic survey was conducted over 18,000 hectares of the Project in 2008, comprised of 1,870 line kilometres in 200 metre spaced lines.

On November 6, 2017, the Company announced a US\$1M exploration program at the Pescado project. The program was designed to include additional geophysics and surface work to refine drill targets, with up to 1,800 metres of drilling budgeted. The initial program of surface sampling and trenching was completed but no drilling program was initiated.

During fiscal 2018, the Company determined that it would not be exploring the Pescado project further, and wrote-off \$50,209 in acquisition costs. The Company is seeking new joint venture partners for the project.

2.2.3. Mogote Property, San Juan

On June 3, 2009, the Company announced that it had entered into a binding property transfer agreement to acquire from Iron South Mining Corp. four Peruvian property concessions and the remaining 51% interest in the 8,300 hectare Mogote copper-gold-silver property not already held by the Company. The Mogote project now includes approximately 8,800 hectares to which Golden Arrow has an exclusive right. It is strategically-located in the Vicuna District of northern San Juan Province which includes NGEx Resources Inc.'s Josemaria copper-gold deposit in Argentina and Goldcorp Inc./New Gold's El Morro gold-copper porphyry in Chile.

On September 9, 2010, the Company announced that it had entered into an option agreement with Vale Exploracion Argentina, S.A. ("VEASA"), a wholly-owned subsidiary of Vale S.A. ("Vale"), on its Mogote project.

The first year program on Mogote Vale completed detailed lithological and alteration mapping on the Zona Colorida and Stockwork Hill zones, rock sampling, petrography and PIMA work as well as 40 lines of geophysics including 32 km of IP, 180 km of ground magnetics, 51 km of radiometrics and 170 km of digital GPS surveying. The geophysical surveys covered the central and a portion of the southern Mogote property.

In 2012, Vale completed a 7 hole, 3,695 m drill program at Mogote. Vale's drilling confirmed the existence of a copper porphyry system below the large and prominent steam leached alteration zone at the Zona Colorida. (see News Release dated June 18, 2012.) On January 14, 2013, the Company announced that Vale commenced a 10-hole, 7,500 m drill program at Mogote. The drill program targeted both porphyry copper-gold and precious metal epithermal mineralized zones identified during the 2011-12 field program, specifically the 3 holes in Filo Este, 3 holes in Filo Central, 2 holes in Zona Colorida and 2 holes in Stockwork hill.

On July 24, 2013, the Company announced that Vale provided notice of its decision to terminate the option agreement on the Mogote project. The Company is currently seeking new joint venture partners for the project.

During fiscal 2018, the Company determined that it would not be exploring the Mogote project further, and wrote-off \$32,973 in acquisition costs

2.2.4. Caballos, La Rioja

On September 8, 2011, Golden Arrow announced it had acquired the approximately 22,900 ha. Caballos Project through staking. The property is located in a prospective porphyry copper and epithermal gold-silver district along the Chilean border in western La Rioja Province.

The Company has completed two initial prospecting and sampling campaigns on Caballos, identifying a new high-grade porphyry copper showing, the Caballos Copper Zone, and the Refugio de Plata Zone, a partially exposed vein/breccia silver target.

Highlights from limited initial sampling include:

- 12 m @ 2.4% Cu from a composite rock chip sample across a diorite porphyry outcrop at the Caballos Copper Zone.
- 1 m @ 303 g/t Ag and 0.11 g/t Au from a chip sample of mineralized breccia at the Refugio de Plata Zone.

On January 30, 2012, Golden Arrow announced it had staked a new license, Ritsuko (3,237 ha) as part of the Caballos project.

The Company completed bulldozer road access in January along with trenching and sampling. Talus fine sampling has defined a 1.4 km anomalous zone with up to 1,667 ppm Cu and up to 150 ppb Au.

During Q1 2012, the Company completed a program of detailed ground magnetic and IP/Resistivity surveys at Caballos to define drill targets. On March 1, 2012, the Company announced that the program had resulted in the discovery of a large copper-gold porphyry target. The magnetic core of the interpreted porphyry system, 300 m by 800 m in dimensions, is largely covered by talus.

The IP/Resistivity survey, conducted by Quantec Geoscience, shows a large chargeability high that closely correlates with the interpreted magnetic porphyry core. Talus fine sampling has been completed in the southern half of the porphyry target, defining an 1,100 m by 400 m area with elevated with copper geochemistry (+50 ppm Cu envelope with a high of 1667 ppm Cu) and, in an overlapping but slightly reduced area, a gold geochemical anomaly (+20 ppb Au envelope with a high of 149 ppb Au), both centered on the quartz-magnetite stockwork exposure.

In 2016, two small licenses within the property were terminated. As a result, the Company now has an exclusive right to licenses totaling approximately 20,884 ha in the prospective Caballos district.

During fiscal 2018, the Company determined that it would not be exploring the Caballos project further and wrote-off \$74,841 in acquisition costs. The Company is seeking an option or joint venture partner for the property.

2.2.5. Don Bosco, La Rioja

On June 1, 2011, the Company announced it had acquired by staking a 100% interest in the 32,800 ha Don Bosco Project in western La Rioja Province, Argentina. The project has since been reduced, leaving the Company with the exclusive right to a core set of properties of approximately 9,300 ha. The project is located in the Pre-Cordillera region and elevations range from 2,500 m to 3,500 m above sea level. Work can be conducted all year round and a paved highway allows easy access to the southern part of the property.

The Don Bosco Project includes historical copper and gold prospects and high-grade mineralized zones identified by the Company's reconnaissance team. Golden Arrow has completed several prospecting/sampling campaigns on Don Bosco. To date a total of 514 rock chip samples have been collected from three distinct target areas on Don Bosco; San Alberto - El Pircado Cu-Au skarn, Llantenos Copper zone and Las Minitas Silver zone.

Highlights for each zone include:

- San Alberto-El Pircado Zone
 - 2.4m averaging 2.04 g/t Au, 114 ppm Ag and 10.0% copper
- Llantenos Zone
 - 25% Cu, 0.64 g/t Au, 82 g/t Ag (grab sample)
 - 2m grading 3.3% Cu (chip sample)
- Las Minitas Silver Zone
 - 111 g/t Ag over 1m (chip sample)

The skarn-type mineralization identified in the north-central portion of the Don Bosco Project in the San Alberto-El Pircado zones covers an area 1.3 km by 900 m. Skarn mineralization appears to be developed primarily within limestone protoliths bordering a large granite intrusive body to the east. It is exposed along east-west ridge lines and flanks at San Alberto (northern ridge) and El Pircado (southern ridge) which are separated by a deeply incised valley with little exposure. Limestone protolith skarn mineralization is both structurally controlled and disseminated. Classic skarn mineralogy includes magnetite hornfels, massive amphibole zones and disseminated garnet and wollastonite zones.

During fiscal 2018, the Company determined that it would not be exploring the Don Bosco project further and wrote-off \$43,809 in acquisition costs. The Company is seeking an option or joint venture partner for the property.

2.2.6. Potrerillos Gold-Silver Project, San Juan

Golden Arrow holds the exclusive right to the 3,999 ha Potrerillos property, located approximately 8 km due east of Barrick Gold's Veladero deposit, and sharing many geologic similarities with both Veladero and nearby Pascua-Lama. Previous exploration campaigns were carried out on behalf of Golden Arrow's precursor company during 1999, 2000, and 2001.

A summary of the project geology and exploration programs can be found on the Company's website. Additional details are available in the original news releases filed on SEDAR.

During fiscal 2018, the Company determined that it would not be exploring the Potrerillos project further, and wrote-off \$670,586 in acquisition costs. The Company is seeking an option or joint venture partner for the project.

2.3 Option Agreement

During the year ended December 31, 2018, the Company entered into an option agreement (the “Option Agreement”) for rights to explore 100% of a proposed property (the “Property”) in another South American country. 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. Under the Option Agreement, the Company filed its own mining permit application in respect of the Property with applicable governmental regulatory authorities. The final mining permit is subject to government regulatory approvals which are still pending, and until granted, the Property does not exist under the laws of the South American country

Selected POI Financial Information for the twelve months ended December 31, 2018 and seven-month period ended December 31, 2017

The selected financial information below has been prepared on a continuity of interest basis once the plan of arrangement with, among others, SSR Mining Inc. had occurred. The total purchase price was allocated to the carrying value of the net assets disposed of pursuant to the plan of arrangement. The Company recognized a gain upon business transaction of its investment in POI as follows:

	May 31, 2017
Pirquitas payment	\$ 17,810,756
Fair value of investment in POI	31,983,236
Total Consideration received	\$ 49,793,992
Assets	
Cash	56,328
Accounts receivable	67,660
Prepaid expenses	3,951
Mineral property interest	655,236
Total Assets	\$ 783,175
Liabilities	
Accounts payable and accrued liabilities	57,219
Total Liabilities	\$ 57,219
Carrying value of net assets	725,956
Gain on business combination	\$ 49,068,036

The following is the summarized financial information for POI as at May 31, 2017:

	May 31, 2017
Current assets	\$ 97,728,114
Non-current assets	155,285,282
Current liabilities	(39,895,147)
Non-current liabilities	(85,185,303)
Net assets	\$ 127,932,946

The Company accounts for its interest in POI using the equity method. At May 31, 2017, the Company recognized an investment in POI of \$31,983,236 representing the fair value of the Company’s 25% interest.

The following table summarizes the change in investment in POI for the twelve months ended December 31, 2018 and seven-month period ended December 31, 2017:

Balance, May 31, 2017	\$	31,983,236
Equity contributions to POI		2,956,091
Company's share of comprehensive income of POI		1,112,180
Subtotal		36,051,507
Translation Adjustment		(2,349,492)
Balance, December 31, 2017	\$	33,702,015
Equity contributions to POI		19,793,348
Company's share of comprehensive loss of POI, net of tax		(8,089,968)
Subtotal		45,405,395
Translation adjustment		3,428,452
Balance, December 31, 2018	\$	48,833,847

The following is the summarized financial information for POI as at December 31, 2018 and December 31, 2017:

	December 31, 2018	December 31, 2017
Current assets	\$ 86,231,487	\$ 94,647,692
Non-current assets	203,416,803	142,445,529
Current liabilities	(40,907,398)	(28,942,036)
Non-current liabilities	(53,405,504)	(73,343,123)
Net assets	\$ 195,335,388	\$ 134,808,062
Revenue for the period	67,777,943	64,208,652
Operating (loss) income for the period	(11,524,126)	12,772,245
Comprehensive (loss) income for the period	\$ (32,359,869)	\$ 4,448,720

The following selected consolidated financial information is derived from the Golden Arrow Resources Corporation audited consolidated financial statements and notes thereto.

	Years Ended December 31,		
	2018 \$	2017 \$	2016 \$
Revenue	Nil	Nil	Nil
Net (loss) income for the year	(17,800,975) ⁽¹⁾	39,723,320 ⁽³⁾	(5,882,244)
(Loss) earnings per share – basic	(0.18)	0.41	(0.08)
(Loss) earnings per share – diluted	(0.18)	0.37	(0.08)
Total Assets	50,286,831 ⁽²⁾	50,982,862 ⁽⁴⁾	11,524,725

- (1) The decrease is primarily related to a decrease in gain on business combination of \$49,068,036, an increase in loss from POI of \$9,202,148, impairment of exploration and evaluation assets of \$862,938, and exploration expenditures of \$1,103,390, partially offset by a decrease in salaries and employee benefits of \$1,046,142, share-based compensation of \$638,441, corporate development of \$595,457, and professional fees of \$403,994.
- (2) The decrease is primarily related to a decrease in cash of \$15,753,380 and marketable securities of \$310,646, partially offset by an increase in investment in POI of \$15,131,832, prepaid expenses of \$134,495, and mineral property interests of \$114,069.
- (3) The increase is primarily related to a one time gain on business combination of \$49,068,036, income from POI of \$1,112,180, and a decrease in exploration of \$7,079,863, partially offset by a decrease in exploration cost recovery of \$8,162,499, an increase in management fees and salaries and employee benefits of \$1,205,048, and professional fees of \$699,119.
- (4) The increase is primarily related to an increase in investments of \$33,702,015 and cash and cash equivalents of \$7,458,440 partially offset by a decrease in exploration funding receivable of \$1,022,853.

Results of Operations – For the year ended December 31, 2018 compared to the year ended December 31, 2017

Loss from operating activities

During the year ended December 31, 2018, loss from operating activities decreased by \$1,414,189 to \$7,923,263 compared to \$9,337,452 for the year ended December 31, 2017. The decrease in loss from operating activities is largely due to:

- A decrease of \$1,046,142 management fees and salaries and employee benefits. Management fees and salaries and employee benefits were \$1,395,050 for the year ended December 31, 2018 compared to \$2,441,192 for the year ended December 31, 2017. The decrease is due to lower management fees and salaries and employee benefits during the year ended December 31, 2018 compared to higher management fees and salaries and employee benefits resulting from performance bonuses and executive compensation paid in connection with the closing of the plan of arrangement during the year ended December 31, 2017.
- A decrease of \$638,441 in share-based compensation. Share-based compensation was \$760,760 for the year ended December 31, 2018 compared to \$1,399,201 for the year ended December 31, 2017. The decrease is due to the granting of 2,045,000 fully vested stock options during the year ended December 31, 2018, compared to granting and partial vesting of 3,820,000 stock options granted during March and June 2017, as well as partial vesting of stock options granted in April 2016 during the year ended December 31, 2017.
- A decrease of \$595,457 in corporate development and investor relations. Corporate development and investor relations were \$866,484 for the year ended December 31, 2018 compared to \$1,461,941 for the year ended December 31, 2017. The decrease is due to fewer activities relating to promotion of the Company's projects during the year ended December 31, 2018 compared to a greater number of activities relating to promotion of the Company's projects during the year ended December 31, 2017.
- A decrease of \$403,994 in professional fees. Professional fees were \$618,088 for the year ended December 31, 2018 compared to \$1,022,082 for the year ended December 31, 2017. The decrease is primarily due to a greater amount of legal, financial advisory, consulting and professional services required, as the Company closed the joint venture agreement with SSR for the advancement of the Chinchillas project during the year ended December 31, 2017.

The decreases were partially offset by the following:

- An increase of \$1,103,390 in exploration. Exploration expense was \$3,643,841 for the year ended December 31, 2018 compared to \$2,540,451 for the year ended December 31, 2017. The Company completed 3,020 metres of drilling during the year ended December 31, 2018 compared to less exploration work consisting of IP/Resistivity geophysical survey and geochemical sampling at the Antofalla project during the year ended December 31, 2017.

Other items

During the year ended December 31, 2018, other items decreased by \$59,702,985, to other loss of \$9,877,712 compared to other income of \$49,825,273 for the year ended December 31, 2017. The change in other items is largely due to:

- A decrease of \$49,068,036 in gain on business combination. The Company closed the agreement with, among others, SSR and upon acquiring its equity interest in POI recognized a gain of \$49,068,036 for the year ended December 31, 2017 compared to no such transactions completed during the year ended December 31, 2018.
- An increase of \$9,202,148 in loss from POI. Loss from POI was \$8,089,968 for the year ended December 31, 2018 compared to income of \$1,112,180 for the year ended December 31, 2017. The increase is due to the Company's 25% equity share of a higher comprehensive loss due to lower sales volumes and realized prices from processing of lower grade stockpile ore incurred by POI for the year ended December 31, 2018.

- An increase of \$862,938 in impairment of exploration and evaluation assets. Impairment of exploration and evaluation assets were \$862,938 for the year ended December 31, 2018 compared to \$Nil for the year ended December 31, 2017. The increase is due to the Company determining that it would not be exploring the Antofalla, La Rioja, Caballos, Mogote, and Potrerillos properties, impairing \$862,938 in acquisition costs during the year ended December 31, 2018.

Net loss after tax for the year ended December 31, 2018 was \$17,800,975 or \$0.18 per basic and diluted loss per share compared to net income after tax of \$39,723,320 or \$0.41 per basic earnings per share and \$0.37 per diluted earnings per share for the year ended December 31, 2017.

Cash Flows

Operating Activities

Cash outflow from operating activities was \$7,970,788 for the year ended December 31, 2018 compared to \$8,959,543 for the year ended December 31, 2017. The decrease in cash outflow results primarily from lower corporate and administrative cash costs, partially offset by higher exploration expenditures 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 \$20,532,176 for the year ended December 31, 2018 compared to a cash inflow of \$14,855,458 for the year ended December 31, 2017. Equity contributions made to POI were \$19,793,348 for the year ended December 31, 2018, compared to \$2,956,091 for the year ended December 31, 2017, due to greater activity performed at POI during the year ended December 31, 2018. Expenditures on mineral property interests were \$977,007 during the year ended December 31, 2018 compared to \$330,163 during the year ended December 31, 2017, due to the acquisition of the Atlántida and Indiana projects in Chile. Expenditures on equipment were \$1,977 during the year ended December 31, 2018 compared to \$63,714 during the year ended December 31, 2017, due to fewer requirements incurred by the Company during the year ended December 31, 2018. Disposal of marketable securities were \$240,156 during the year ended December 31, 2018, compared to \$464,533 during the year ended December 31, 2017, due to fewer sales at a lower market price for the Pretium shares held by the Company during the year ended December 31, 2018. Receipt of Pirquitas Payment was \$Nil during the year ended December 31, 2018, compared to \$17,810,756 during the year ended December 31, 2017, which was a one-time payment. Closing payment included in gain on business combination, net of tax was \$Nil during the year ended December 31, 2018, compared to \$69,863 during the year ended December 31, 2017, which was a one-time payment.

Financing Activities

Cash inflows from financing activities was \$12,749,584 for the year ended December 31, 2018 compared to \$1,562,525 for the year ended December 31, 2017. Proceeds from drawdown of the SSR Credit Facility were \$10,958,713 during the year ended December 31, 2018, compared to \$Nil for the year ended December 31, 2017. Proceeds from loans payable were \$450,000 for the year ended December 31, 2018, compared to \$Nil for the year ended December 31, 2017. Proceeds from subscriptions payable were \$250,000 for the year ended December 31, 2018, compared to \$Nil for the year ended December 31, 2017. Proceeds from the exercise of warrants were \$1,090,871 for the year ended December 31, 2018 compared to \$1,281,476 for the year ended December 31, 2017. Proceeds from the exercise of stock options were \$Nil for the year ended December 31, 2018 compared to \$281,049 for the year ended December 31, 2017.

Results of Operations – For the three months ended December 31, 2018 compared to the three months ended December 31, 2017

Loss from operating activities

During the three months ended December 31, 2018, loss from operating activities decreased by \$317,391 to \$1,078,642 compared to \$1,396,033 for the three months ended December 31, 2017. The decrease in loss from operating activities is largely due to:

- A decrease of \$276,616 in exploration. Exploration expense was \$172,546 for the three months ended December 31, 2018 compared to \$449,162 for the three months ended December 31, 2017. The Company undertook less exploration work after completing its drill program earlier in the year at its Antofalla project in Catamarca, Argentina, during the three months ended December 31, 2018 compared to more exploration work, consisting of salaries and contractor's expenses, supplies and equipment, and transportation expenses, performed at the Antofalla project during the three months ended December 31, 2017.
- A decrease of \$81,062 in corporate development and investor relations. Corporate development and investor relations were \$204,628 for the three months ended December 31, 2018 compared to \$285,690 for the three months ended December 31, 2017. The decrease is due to fewer activities relating to promotion of the Company's projects during the three months ended December 31, 2018 compared to a greater number of activities relating to promotion of the Company's projects during the three months ended December 31, 2017.

Other items

During the three months ended December 31, 2018, other items decreased by \$1,738,792 to other loss of \$1,399,192 compared to other income of \$339,600 for the three months ended December 31, 2017. The change in other items is largely due to:

- An increase of \$716,629 in foreign exchange loss. Foreign exchange loss was \$632,702 for three months ended December 31, 2018 compared to a foreign exchange gain of \$83,927 for the three months ended December 31, 2017. The increase is due to the fluctuation in foreign exchange rates and differing amounts of foreign currencies held during the three months ended December 31, 2018 compared to the three months ended December 31, 2017.
- An increase of \$862,938 in impairment of exploration and evaluation assets. Impairment of exploration and evaluation assets were \$862,938 for the three months ended December 31, 2018 compared to \$Nil for the three months ended December 31, 2017. Impairment 2018 is due to the Company determining that it would not be exploring the Antofalla, La Rioja, Caballos, Mogote, and Potrerillos properties, impairing \$862,938 in acquisition costs during the three months ended December 31, 2018.

The increases were partially offset by the following:

- An increase of \$342,482 in income from POI. Income from POI was \$521,467 for the three months ended December 31, 2018 compared to income from POI of \$178,985 for the three months ended December 31, 2017. The increase is due to the Company's 25% equity share of a higher comprehensive income due to higher sales volumes from processing of lower grade stockpile ore incurred by POI for the three months ended December 31, 2018 compared to a greater comprehensive loss due to higher sales volumes from processing of higher grade stockpile ore incurred by POI during the three months ended December 31, 2017.

Net loss after tax for the three months ended December 31, 2018 was \$2,477,834 or \$0.02 per basic and diluted loss per share compared to net income after tax of \$1,056,433 or \$0.01 per basic and diluted earnings per share for the three months ended December 31, 2017.

Balance Sheet

At December 31, 2018, the Company had total assets of \$50,286,831 compared with \$50,982,862 in total assets at December 31, 2017. The decrease primarily results from a decrease of cash of \$15,753,380 and marketable securities of \$310,646, partially offset by an increase in investment in POI of \$15,131,832, prepaid expenses of \$134,495 and mineral property interests of \$114,069.

Selected Quarterly Financial Information

	2018				2017			
	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net (Loss) income	(2,477,834) ⁽¹⁾	(3,778,217) ⁽²⁾	(7,495,248) ⁽³⁾	(4,049,676) ⁽⁴⁾	(1,056,433) ⁽⁵⁾	160,236 ⁽⁶⁾	42,363,562 ⁽⁷⁾	(1,744,065) ⁽⁸⁾
Net (Loss) income per Common Share Basic	(0.02)	(0.04)	(0.08)	(0.04)	(0.01)	(0.00)	0.42	(0.00)
Net (Loss) income per Common Share Diluted	(0.02)	(0.04)	(0.08)	(0.04)	(0.01)	(0.00)	0.38	(0.00)

- (1) Decrease from prior quarter primarily driven by an increase in income from POI of \$3,686,048, partially offset by an increase in impairment of exploration and evaluation assets of \$862,938, foreign exchange loss of \$297,097, SSR credit facility interest expense of \$376,334, professional fees of \$126,915, exploration expenditures of \$140,875,
- (2) Decrease from prior quarter primarily driven by a decrease in exploration expenditures of \$2,447,947, foreign exchange loss of \$423,818, professional fees of \$220,064, partially offset by an increase in loss from POI of \$1,008,926.
- (3) Increase from prior quarter primarily driven by an increase in loss from POI of \$2,900,160, exploration expenditures of \$1,519,612, professional fees of \$220,883, and finance expense of \$473,280, partially offset by a decrease in share-based compensation of \$760,760.
- (4) Increase from prior quarter primarily driven by an increase in loss from POI of \$1,452,332, share-based compensation of \$760,760, exploration expenditures of \$510,844, and finance expense of \$473,280.
- (5) Decrease from prior quarter primarily driven by a decrease of income from POI of \$967,940 and exploration expenditures of \$144,547.
- (6) Decrease from prior quarter primarily driven by no gain on business combination upon closing of plan of arrangement of \$49,068,036 occurring, partially offset by a decrease in share-based compensation of \$1,303,326, management fees and salaries and employee benefits of \$1,188,759, and exploration expenditures of \$737,868, and an increase of income from POI of \$1,360,655.
- (7) Increase from prior quarter primarily driven by a \$49,068,036 gain on business combination upon closing of the plan of arrangement, partially offset by an increase in share-based compensation of \$1,276,561, management fees and salaries and employee benefits of \$1,234,768, and Argentina tax expense of \$764,501.
- (8) Increase from prior quarter primarily driven by an increase in corporate development and investor relations of \$280,844, foreign exchange loss of \$227,418, a decrease in exploration and other cost recovery of \$1,725,589, partially offset by a decrease in exploration expenditures of \$1,394,648, gain on sale of marketable securities of \$133,256.

Liquidity and Capital Resources

The Company has experienced recurring operating losses and has an accumulated deficit of \$16,612,236 and shareholders' equity of \$38,329,391 as at December 31, 2018. In addition, the Company has working capital of (\$7,987) as at December 31, 2018 and negative cash flow from operating activities of \$7,970,788. 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. These factors create material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments and to attain profitable operations. Management's plan in this regard is to raise equity financing as required to further fund its share of planned capital expenditures for its investment in POI and working capital. There are no assurances that the Company will be successful in achieving these goals. These audited consolidated financial statements do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

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

Credit Facility

On July 6, 2018, the Company entered into a credit facility agreement with SSR for a non-revolving term loan in an aggregate principal amount equal to US\$10,000,000. The loan matures on July 22, 2020. Refer to Note 17 of the financial statements for credit facility agreement covenants.

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

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

As at December 31, 2018, the Company has drawn USD\$8,033,069 (CAD \$10,958,712) of the credit facility, and accrued USD\$180,827 (CAD \$246,684) interest due on maturity. Interest has been 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, 2018				
Balance – January 1, 2018	CAD	\$	-	USD \$ -
Drawdowns			10,958,712	8,033,069
Interest accrued in period			246,684	180,827
Interest paid in period			-	-
Balance – December 31, 2018	CAD	\$	11,205,396	USD \$8,213,896

Commitments

	Year 1 \$	Year 2 \$	Year 3 \$	Year 4-5 \$
Management Services Agreement (i)	470,400	470,400	-	-
Office Leases (ii)	168,627	105,128	105,128	8,761

(i) Management Services Agreement

Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current monthly fee is \$39,200 per month. This fee is reviewed and adjusted quarterly based on the level of services required. The agreement expires on December 31, 2018 and will be automatically renewed for additional term of two years unless otherwise terminated pursuant to the terms of the agreement.

(ii) Office Leases

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

Capital Stock

Authorized Share Capital

At December 31, 2018, 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 December 31, 2018, there were 101,974,517 shares were issued and outstanding.

As at the date of this report, there are 117,778,529 shares were issued and outstanding.

Details of Issues of Common Shares in 2018

3,581,383 warrants were exercised during the year ended December 31, 2018.

4,509,996 warrants that were set to expire on January 28, 2018 were extended to January 28, 2019, and expired on January 28, 2019. These warrants were originally issued on July 26, 2016 as part of the units issued under a private placement completed by the Company on July 2016 and are also subject to an accelerator. The exercise price of the warrants remains at \$1.00.

As at December 31, 2018, there were \$250,000 (2017 - \$Nil) in share subscriptions received, but the shares had not yet been issued. Refer to Events After the Reporting Period for further information.

Details of Issues of Common Shares in 2017

On May 31, 2017, the Company issued 98,106,935 common shares in accordance with the terms of the plan of arrangement referred to in Note 3 of the consolidated financial statements for the year ended December 31, 2017, whereby each shareholder of GAR received one common share in the capital of the Company (a "New GAR Share") in exchange for each common share of GAR (the "GAR Shares") held.

4,261,220 warrants and 807,500 stock options were exercised during the year ended December 31, 2017.

Share Purchase Option Compensation Plan

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

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

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

Number of Warrants Outstanding	Exercise Price (CAD\$)	Expiry Date
11,208,242	\$0.40	February 25, 2021
1,307,869	\$0.40	March 5, 2021
3,484,203	\$0.40	March 21, 2021
16,000,314		

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

Number of Shares		Exercise Price (CAD\$)	Expiry Date
Outstanding	Exercisable		
1,270,000	1,270,000	\$0.35	June 11, 2020
1,005,000	1,005,000	\$0.32	April 19, 2021
395,000	395,000	\$0.42	April 27, 2021
15,000	15,000	\$0.62	May 29, 2021
3,490,000	3,490,000	\$0.62	June 22, 2022
2,045,000	2,045,000	\$0.70	January 9, 2023
8,220,000	8,220,000		

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 (“Agreement”) with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by an officer and director of the Company and also has another common director with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group’s costs including its staff and overhead costs among the member companies. This fee is reviewed and adjusted quarterly based on the level of services required.

The Agreement 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.

	Year ended December 31,	
	2018	2017
Transactions	\$	\$
Services rendered:		
Grosso Group Management Ltd.		
Administration and management services	387,400	636,000
Office & sundry	117,300	116,600
Total for services rendered	504,700	752,600

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.

		Year ended December 31,	
		2018	2017
Transactions	Position	\$	\$
Consulting, salaries, and professional fees:			
Joseph Grosso	Chairman/President/CEO	275,000	575,000
Darren Urquhart	CFO	60,000	130,000
Nikolaos Cacos	Director/VP – Corp.	120,000	410,000
Connie Norman	Corporate Secretary	82,000	24,000
Louis Salley	Director	27,961	12,000
David Terry	Director	55,325	19,200
John Gammon	Director	16,000	12,000
Taylor Thoen	Director	-	21,300
Alfred Hills	Director	82,525	25,550
Total for services rendered		718,811	1,229,050

		Year ended December 31,	
		2018	2017
Transactions	Position	\$	\$
Share-based compensation:			
Joseph Grosso	Chairman/President/CEO	111,603	290,945
Darren Urquhart	CFO	18,600	27,276
Nikolaos Cacos	Director/VP – Corp.	37,201	145,473
Connie Norman	Corporate Secretary	27,901	-
Louis Salley	Director	55,801	72,736
David Terry	Director	27,901	36,368
John Gammon	Director	27,901	36,368
Alfred Hills	Director	93,002	-
Taylor Thoen	Director	-	18,184
Total share based compensation to key management		399,910	627,350

As at December 31, 2018, there were \$47,360 (2017 – \$36,610) of costs owed from related corporations for shared services paid by the Company.

Events After the Reporting Period

Credit Facility

- Subsequent to December 31, 2018, the Company borrowed US\$673,216 in accordance with the terms of the credit facility agreement described in Note 7 to fund its contribution to POI.
- On February 7, 2019, the Company borrowed US\$1,293,715 in accordance with the terms of the credit facility agreement described in Note 7 to fund its contribution to POI. As at February 7, 2019, the Company has fully utilized the credit facility for US\$10,000,000.

Loans Payable

- On February 27, 2019, the Company paid in full principal of \$450,000 and interest accrued of \$10,208 for the arm's length loans.

Management Services Agreement

- On January 1, 2019 the Company renewed its management services agreement with Grosso Group, with a current monthly fee of \$39,200 paid to Grosso Group for staffing and overhead. The agreement expires December 31, 2020 and will be automatically renewed for an additional two years unless otherwise terminated pursuant to the terms of the agreement.

Option Payment Indiana Project

- The Company paid USD\$70,000 option payment for the Indiana Project option agreement.

POI Contribution

- On March 8, 2019, the Company paid USD\$1,742,818 to fund its contribution to POI

Private Placement

- On February 25, 2019, the Company completed the first tranche of the non-brokered private placement announced February 12, 2019 consisting of 11,051,611 units in this tranche. Each unit will consist of one common share and one transferable common share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share in the capital of the Company at \$0.40 per share for two years from the date of issue. Finders' fees were payable \$46,989 cash and 156,631 non-transferable warrants exercisable into common shares at \$0.40 for two years from the date of issue. Included in this tranche were \$250,000 of subscription proceeds that were received prior to December 31, 2018.
- On March 5, 2019, the Company completed the second tranche of the non-brokered private placement announced February 12, 2019 consisting of 1,290,367 units in this tranche. Each unit will consist of one common share and one transferable common share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share in the capital of the Company at \$0.40 per share for two years from the date of issue. Finders' fees were payable \$6,450 cash and 17,502 non-transferable warrants exercisable into common shares at \$0.40 for two years from the date of issue.
- On March 21, 2019, the Company completed the third and final tranche of the non-brokered private placement announced February 12, 2019 consisting of 3,462,034 units in this tranche. Each unit will consist of one common share and one transferable common share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share in the capital of the Company at \$0.40 per share for two years from the date of issue. Finders' fees were payable \$6,651 cash and 22,169 non-transferable warrants exercisable into common shares at \$0.40 for two years from date of issue.
- The Company raised a total of 15,804,012 units at a price of \$0.30 per unit for gross proceeds of \$4,741,204.

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 contained in Note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2018. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

Changes in Accounting Standards

The Company has adopted these accounting standards effective January 1, 2018. The adoption of these accounting standards had no significant impact on the consolidated financial statements. These standards are:

IFRS 9 – *Financial Instruments*

IFRS 15 – *Revenue from Contracts with Customers*

Interpretations 22 – *Foreign Currency Transactions and Advance Considerations*

New Accounting Standards and Interpretations

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

IFRS 16 – Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact the standard is expected to have on its consolidated financial statements. The Company's current operating lease commitments are disclosed in Note 13.

Financial Instruments

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

Credit risk

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

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

Liquidity risk (See Liquidity and Capital Resources)

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

As at December 31, 2018, the Company has \$300,416 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Financial Covenants

All debts, liabilities and obligations under the Credit Facility are guaranteed by our material subsidiaries and secured by certain of our assets, certain of our material subsidiaries, and pledges of the securities of our material subsidiaries. In connection with the Credit Facility, the Company must also maintain exploration investment expenditures no greater than USD\$1,000,000. As at December 31, 2018 the Company was in compliance with these covenants. The Company will monitor these expenditures on an ongoing basis and make necessary operational adjustments to comply with this Credit Facility covenant.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include: US dollars and Argentine Pesos, all denominated in cash, amounts receivable, exploration funding receivable, accounts payable, loan payable and interest payable. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the United States dollar and between the Canadian dollar and the Argentine Peso at December 31, 2018 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 \$1,091,000.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by \$400.

(ii) Interest rate risk

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

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

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 audited consolidated financial statements for the year ended December 31, 2018 and 2017. The Company has financed its operations principally through the sale of its equity securities and through debt. The Company does not anticipate that it will earn any revenue from its operations until its properties are placed into production, if ever. If the Company is unable to place its properties into production, the Company may never realize revenues from operations, will continue to incur losses and you may lose the value of your investment.

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

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

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

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

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

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

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

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

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

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

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

Interest risk: The Company's bank accounts do not earn interest income. Cash bears no interest and short-term investments mature one year from the date of purchase and are redeemable at any time without penalty, with interest paid after thirty days. The fair value of cash and short-term investments approximates their carrying values due to the immediate or short-term maturity of these financial instruments. The Company has a loan agreement with SSR Mining. Interest from the loan agreement is variable based on the greater interest rate of three separate benchmark indices. Refer to Note 7 of the financial statements for further information.

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

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

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

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 December 31, 2018.

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.