
GOLDEN ARROW RESOURCES CORPORATION

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2009 AND 2008

(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

**MANAGEMENT'S COMMENTS ON UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements of Golden Arrow Resources Corporation for the three and nine months ended September 30, 2009 have been prepared by management and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

November 29, 2009

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)

CONSOLIDATED BALANCE SHEETS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	September 30, 2009	December 31, 2008
	\$	\$
A S S E T S		
CURRENT ASSETS		
Cash	755,988	372,141
Short-term investments (Note 4)	1,276,402	657,878
Marketable securities (Note 5)	39,268	16,169
Amounts receivable and prepaids	563,404	143,416
Subscription receivable (Note 9)	625,000	-
	<u>3,260,062</u>	<u>1,189,604</u>
DEPOSIT (Note 11)	85,000	85,000
LONG-TERM INVESTMENT (Note 6)	-	186,392
MINERAL PROPERTY INTERESTS (Note 8)	<u>2,471,169</u>	<u>2,165,348</u>
	<u><u>5,816,231</u></u>	<u><u>3,626,344</u></u>
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 11)	<u>219,134</u>	<u>175,241</u>
S H A R E H O L D E R S ' E Q U I T Y		
SHARE CAPITAL (Note 9)	12,155,608	9,144,655
WARRANTS (Note 9)	1,838,310	795,128
CONTRIBUTED SURPLUS (Note 10)	12,775,694	12,510,396
ACCUMULATED OTHER COMPREHENSIVE INCOME	23,099	-
DEFICIT	<u>(21,195,614)</u>	<u>(18,999,076)</u>
	<u>5,597,097</u>	<u>3,451,103</u>
	<u><u>5,816,231</u></u>	<u><u>3,626,344</u></u>

SUBSEQUENT EVENTS (Note 14)

APPROVED BY THE BOARD OF DIRECTORS

_____, Director
"Joseph Grosso"

_____, Director
"David Horton"

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

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009 \$	2008 \$ (Restated – Note 3)	2009 \$	2008 \$ (Restated – Note 3)
EXPENSES				
Administrative and management	11,000	27,298	32,190	64,620
Corporate development and investor relations	16,852	45,761	64,649	154,368
Exploration	240,968	447,882	1,654,968	2,389,428
Office and sundry	43,003	43,595	137,710	151,362
Professional fees	101,928	12,183	223,877	59,678
Rent, parking and storage	21,317	19,584	71,140	49,439
Salaries and employee benefits	103,539	92,381	311,884	273,087
Stock-based compensation (Note 9)	-	-	265,298	11,752
Transfer agent and regulatory fees	11,034	5,632	38,321	19,192
Travel and accommodation	9,752	6,878	32,264	39,591
	<u>559,393</u>	<u>701,194</u>	<u>2,832,301</u>	<u>3,212,517</u>
LOSS BEFORE OTHER ITEMS	<u>(559,393)</u>	<u>(701,194)</u>	<u>(2,832,301)</u>	<u>(3,212,517)</u>
OTHER INCOME (EXPENSE)				
Foreign exchange income (loss)	(89,801)	28,449	(161,770)	5,754
Write-off of mineral properties (Note 8)	(10,395)	-	(10,395)	-
Gain on sale of long-term investment (Note 6)	-	-	20,710	-
Royalty income (Note 7)	376,682	-	769,397	-
Interest and other income	4,695	13,889	17,821	93,977
	<u>281,181</u>	<u>42,338</u>	<u>635,763</u>	<u>99,731</u>
LOSS FOR THE PERIOD	<u>(278,212)</u>	<u>(658,856)</u>	<u>(2,196,538)</u>	<u>(3,112,786)</u>
DEFICIT - BEGINNING OF PERIOD	<u>(20,917,402)</u>	<u>(16,628,857)</u>	<u>(18,999,076)</u>	<u>(14,174,927)</u>
DEFICIT - END OF PERIOD	<u>(21,195,614)</u>	<u>(17,287,713)</u>	<u>(21,195,614)</u>	<u>(17,287,713)</u>
BASIC AND DILUTED LOSS PER COMMON SHARE				
	<u>(0.01)</u>	<u>(0.04)</u>	<u>(0.09)</u>	<u>(0.20)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
	<u>33,162,633</u>	<u>15,468,655</u>	<u>25,269,135</u>	<u>15,398,655</u>

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

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
LOSS FOR PERIOD	(278,212)	(658,856)	(2,196,538)	(3,112,786)
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gain (loss) on available-for-sale marketable securities	13,859	(277,188)	23,099	(346,485)
COMPREHENSIVE LOSS FOR THE PERIOD	<u>(264,353)</u>	<u>(936,044)</u>	<u>(2,173,439)</u>	<u>(3,459,271)</u>

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

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009 \$	2008 \$ <i>(Restated – Note 3)</i>	2009 \$	2008 \$ <i>(Restated – Note 3)</i>
CASH PROVIDED FROM (USED FOR)				
OPERATING ACTIVITIES				
Loss for the period	(278,212)	(658,856)	(2,196,538)	(3,112,786)
Items not affecting cash				
Stock-based compensation	-	-	265,298	11,752
Gain on sale of long-term investment	-	-	(20,710)	-
Write-off of mineral properties	10,395	-	10,395	-
	(267,817)	(658,856)	(1,941,555)	(3,101,034)
Changes in non-cash working capital (note 13)	(63,319)	(242,921)	(369,619)	(239,243)
	(331,136)	(901,777)	(2,311,174)	(3,340,277)
INVESTING ACTIVITIES				
Expenditures on mineral property interests	(66,590)	(73,505)	(316,216)	(231,161)
Proceeds on sale of long-term investment	-	-	207,102	-
Decrease (increase) in short-term investments	(400,000)	950,000	(625,000)	3,350,000
	(466,590)	876,495	(734,114)	3,118,839
FINANCING ACTIVITIES				
Issuance of common shares and warrants	660,000	-	3,714,350	168,000
Share and warrant issue costs	(79,299)	-	(285,215)	-
	580,701	-	3,429,135	168,000
INCREASE (DECREASE) IN CASH	(217,025)	(25,282)	383,847	(53,438)
CASH - BEGINNING OF PERIOD	973,013	261,686	372,141	289,842
CASH - END OF PERIOD	755,988	236,404	755,988	236,404

SUPPLEMENTARY CASH FLOW INFORMATION (Note 13)

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)
CONSOLIDATED SCHEDULE OF MINERAL PROPERTY INTERESTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

ACQUISITION COSTS

	Argentina					Peru				Colombia	Total	
	Valle de Cura \$	Mogote \$	Poncha \$	Jujuy \$	Pescado \$	Other \$	Rio Tabaconas \$	Cocha \$	Mitu \$	Other \$	La Morena \$	\$
BALANCE – BEGINNING OF PERIOD	638,197	-	141,192	10,395	30,021	34,676	1,310,867	-	-	-	-	2,165,348
ACQUISITION COSTS DURING THE PERIOD:												
Cash	-	159,763	-	-	-	-	-	30,843	15,513	10,471	99,626	316,216
	638,197	159,763	141,192	10,395	30,021	34,676	1,310,867	30,843	15,513	10,471	99,626	2,481,564
Write-off of mineral property	-	-	-	(10,395)	-	-	-	-	-	-	-	(10,395)
BALANCE - END OF PERIOD	638,197	159,763	141,192	-	30,021	34,676	1,310,867	30,843	15,513	10,471	99,626	2,471,169

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)
CONSOLIDATED SCHEDULE OF MINERAL PROPERTY INTERESTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

EXPLORATION EXPENDITURES

	Argentina					Peru				Colombia	Total	
	Valle de Cura \$	Mogote \$	Poncha \$	Jujuy \$	Pescado \$	Other \$	Rio Tabaconas \$	Cocha \$	Mitu \$	Other \$	La Morena and Other \$	\$
CUMULATIVE EXPLORATION COSTS EXPENSED												
– BEGINING OF PERIOD	1,723,366	-	2,070,677	2,038,455	840,915	408,541	3,079,940	-	-	-	-	10,161,894
EXPLORATION EXPENDITURES DURING THE PERIOD:												
Assays	-	-	94,710	-	-	-	-	-	-	-	-	94,710
Communications	-	-	4,519	-	-	-	-	-	-	-	-	4,519
Drilling	-	-	530,968	-	-	-	-	-	-	-	-	530,968
Property maintenance payments	-	-	-	-	-	-	44,388	-	-	-	-	44,388
Office	4,271	-	7,576	599	-	1,989	24,366	-	-	-	-	38,801
Salaries and contractors	-	-	296,186	782	59	7,787	148,467	-	-	-	110,582	563,863
Supplies and equipment	45	-	93,599	-	-	18	90	-	-	-	-	93,752
Transportation	784	-	84,785	298	-	1,887	11,073	-	-	-	-	98,827
Social	-	-	3,727	-	-	-	22,150	-	-	-	-	25,877
Statutory and tax	-	-	10,441	-	-	-	10,005	-	-	-	-	20,446
IVA	535	-	118,177	176	6	1,226	18,697	-	-	-	-	138,817
	5,635	-	1,244,688	1,855	65	12,907	279,236	-	-	-	110,582	1,654,968
Properties no longer being explored	-	-	-	(2,040,310)	-	-	-	-	-	-	-	(2,040,310)
CUMULATIVE EXPLORATION COSTS EXPENSED – END OF PERIOD	<u>1,729,001</u>	<u>-</u>	<u>3,315,365</u>	<u>-</u>	<u>840,980</u>	<u>421,448</u>	<u>3,359,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,582</u>	<u>9,776,552</u>

GOLDEN ARROW RESOURCES CORPORATION

(An Exploration Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009 *(Unaudited - Expressed in Canadian Dollars)*

1. NATURE OF OPERATIONS

Golden Arrow Resources Corporation (the “Company”) was created on July 7, 2004, as a result of a corporate restructuring plan (the “Reorganization”) completed by IMA Exploration Inc. (“IMA”). Shareholders of IMA were issued one share of the Company for every ten shares of IMA held. On September 30, 2009 IMA changed its name to Kobex Minerals Inc. (“Kobex”) and consolidated its common shares on a 2.4 old shares for one new share basis.

The Company is in the process of exploring its mineral properties and evaluating other mineral properties in South America. The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. Other than the royalty revenue, the Company has not generated any revenues from its operations to date and consequently is considered to be in the exploration stage. The amounts shown as mineral properties represent acquisition costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral properties are entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete development, and future profitable production.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles (“GAAP”). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality.

As these unaudited interim consolidated financial statements do not contain all of the disclosures required by GAAP, they should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended December 31, 2008.

The accounting policies followed by the Company are set out in note 3 to the audited consolidated financial statements for the year ended December 31, 2008, and have been consistently followed in the preparation of these consolidated financial statements except that the Company has adopted the following CICA standard effective January 1, 2009.

(a) *Goodwill and Intangible Assets*

CICA Handbook Section 3064, *Goodwill and Intangible Assets*, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and Expenses during the preoperating period. As a result of the withdrawal of EIC 27, companies will no longer be able to defer costs and revenues incurred prior to commercial production at new mine operations. On January 1, 2009, the Company adopted these changes, with no impact on its consolidated financial statements.

GOLDEN ARROW RESOURCES CORPORATION

(An Exploration Stage Company)

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009**
(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Credit Risk and Fair Value of Financial Assets and Liabilities*

In January 2009, the CICA issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. This standard is effective for our fiscal year beginning January 1, 2009. Adoption of this EIC did not have a significant effect on the company's financial statements for the period ended September 30, 2009.

(c) *Mining Exploration Costs*

In March 2009, the CICA issued EIC-174, "Mining Exploration Costs." The EIC provides guidance on the accounting and the impairment review of exploration costs. This standard is effective for our fiscal year beginning January 1, 2009. The application of this EIC did not have an effect on the company's financial statements for the period ended September 30, 2009.

Future Accounting Standards

Business combinations, consolidated financial statements and non-controlling interest

In January 2009, the CICA issued CICA Handbook Section 1582, *Business Combinations*, Section 1601, *Consolidations*, and Section 1602, *Non-controlling Interests*. These sections replace the former CICA Handbook Section 1581, *Business Combinations* and Section 1600, *Consolidated Financial Statements* and establish a new section for accounting for a non-controlling interest in a subsidiary. CICA Handbook Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. It provides the Canadian equivalent to IFRS 3, *Business Combinations* (January 2008). The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements.

CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS International Accounting Standards ("IAS") 27, *Consolidated and Separate Financial Statements* (January 2008).

CICA Handbook Section 1601 and Section 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year.

All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections as it has not adopted them yet.

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009
(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that the date for publicly-listed companies to use IFRS, replacing Canadian GAAP, is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. The Company is evaluating the financial reporting impact of the transition to IFRS.

3. CHANGE IN ACCOUNTING POLICY

During the year ended December 31, 2008, the Company retrospectively changed its accounting policy for exploration expenditures to be more relevant. Prior to the year ended December 31, 2008, the Company capitalized all such costs to mineral properties held directly or through an investment and only wrote down capitalized costs when the property was abandoned or if the capitalized costs were not considered to be economically recoverable.

Exploration expenditures are now charged to operations as they are incurred until the property reaches development stage. All direct costs related to the acquisition of mineral property interests will continue to be capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

The Company has accounted for this change in accounting policy on a retrospective basis. The impact of this change on the previously reported September 30, 2008 consolidated financial statements is as follows:

	As previously reported \$	Restatement \$	As restated \$
Mineral property interests as at September 30, 2008	11,363,284	(9,355,274)	2,008,010
FIT Liability as at September 30, 2008	974,228	(974,228)	-
Exploration expense for the nine months ended September 30, 2008	676,309	1,713,119	2,389,428
Loss for the period ended September 30, 2008	(1,393,848)	(1,718,938)	(3,112,786)
Loss per share for the period ended September 30, 2008	(0.09)	(0.11)	(0.20)
Deficit at September 30, 2008	(8,962,156)	(8,013,133)	(17,287,713)
Cash flows from operating activities for the period ended September 30, 2008	(1,562,102)	(1,778,175)	(3,340,277)
Cash flows from investing activities for the period ended September 30, 2008	1,340,664	1,778,175	3,118,839

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009
(Unaudited - Expressed in Canadian Dollars)

4. SHORT-TERM INVESTMENTS

As at September 30, 2009 and December 31, 2008, the Company held the following term deposits:

		September 30, 2009	
		Maturity	Fair Value \$
12 month term deposit			
- Prime rate less 1.85% annual interest rate (\$575,000 principal)	August 11, 2010		575,315
12 month term deposit			
- 0.35% annual interest rate (\$700,000 principal)	April 21, 2010		701,087
Total short-term investments			1,276,402
		December 31, 2008	
		Maturity	Fair Value \$
12 month term deposit			
- 3.15% annual interest rate (\$650,000 principal)	August 12, 2009		657,878

All term deposits are redeemable in full or portion at the Company's option without penalty. Interest is paid on amounts redeemed once past the initial 30 days from the date of investment.

5. MARKETABLE SECURITIES

At September 30, 2009, the Company held 230,990 (2008 – 230,990) common shares of Panthera Exploration Inc. ("Panthera") which had a quoted market value of \$39,268 (December 31, 2008 - \$16,169). Panthera and the Company have directors and officers in common. The Company has designated its marketable securities as available-for-sale financial assets and accordingly, changes in fair value are recorded in other comprehensive income in the period they occur. An unrealized gain of \$23,099 was recorded for the nine months ended September 30, 2009. In 2008, management determined that the decrease in fair value of Panthera was other than temporary. As a result a loss of \$866,692 was recorded in Other income (expenses) in the 2008 period. The Company holds these marketable securities as a result of entering into option and sale agreements for certain of its mineral property holdings in Argentina.

6. LONG-TERM INVESTMENTS

As at September 30, 2009 the Company did not hold any asset-backed commercial paper. As at December 31, 2008, the Company held asset-backed commercial paper as follows:

		December 31, 2008	
		Principal \$	Fair Value \$
Asset-backed commercial paper		207,102	186,392

Based on the assessment of fair value as at December 31, 2008, the Company recorded in income an impairment loss of \$20,710 related to this investment, representing a 10% valuation allowance of the original principal amount. On February 5, 2009 the Company received \$214,661 for the principal and unpaid interest. As a result, a recovery of \$20,710 was recorded during the period.

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009
(Unaudited - Expressed in Canadian Dollars)

7. ROYALTY REVENUE

On May 29, 2009 the Company received its first quarterly payment from Yamana Gold Inc. (“Yamana”) from the Company’s 1% net smelter returns royalty (“NSR”) from the initial production at Yamana’s Gualcamayo gold mine, located in San Juan, Argentina. Regular quarterly payments are scheduled to be made on January 1st, April 30th, July 31st and October 31st of each year of the mine life.

The schedule below summarizes quarterly payments received from Yamana for the nine months ended September 30, 2009:

NSR Payment for the Quarter Ended	Payment Date	Amount (CDN\$)	Amount (US\$)
March 31, 2009	May 29, 2009	169,375	138,658
June 30, 2009	July 31, 2009	223,340	206,988
September 30, 2009	October 31, 2009	376,682	343,218
		769,397	688,864

8. MINERAL PROPERTY INTERESTS

The schedule below summarizes all costs incurred to date for each mineral property interest that the company is continuing to explore as at September 30, 2009 and December 31, 2008:

	September 30, 2009			December 31, 2008		
	Acquisition Costs \$	Exploration Expenditures \$	Total \$	Acquisition Costs \$	Exploration Expenditures \$	Total \$
Argentina						
Valle de Cura	638,197	1,729,001	2,367,198	638,197	1,723,366	2,361,563
Poncha	141,192	3,315,365	3,456,557	141,192	2,070,677	2,211,869
Jujuy	-	-	-	10,395	2,038,455	2,048,850
Pescado	30,021	840,980	871,001	30,021	840,915	870,936
Neuquen	2,139	191,076	193,215	2,139	183,411	185,550
Mogote	159,763	-	159,763	-	-	-
Other	32,537	230,372	262,909	32,537	225,130	257,667
	1,003,849	6,306,794	7,310,643	854,481	7,081,954	7,936,435
Peru						
Rio Tabaconas	1,310,867	3,359,176	4,670,043	1,310,867	3,079,940	4,390,807
Cocha	30,843	-	30,843	-	-	-
Mitu	15,513	-	15,513	-	-	-
Other	10,471	-	10,471	-	-	-
	1,367,694	3,359,176	4,726,870	1,310,867	3,079,940	4,390,807
Colombia						
La Morena	99,626	110,582	210,208	-	-	-
	2,471,169	9,776,552	12,247,721	2,165,348	10,161,894	12,327,242

GOLDEN ARROW RESOURCES CORPORATION

(An Exploration Stage Company)

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009
(Unaudited - Expressed in Canadian Dollars)**

8. MINERAL PROPERTY INTERESTS (continued)

(a) Valle de Cura Properties, Argentina

The Company owns a 100% interest in the Valle de Cura properties for which it paid consideration of US \$120,000.

The properties are subject to a net smelter return royalty ("NSR") of up to US \$5,000,000 once commercial production is achieved.

(b) Poncha Property, Argentina

Effective March 30, 2007, the Company entered into an option agreement with Teck Resources Limited through its subsidiary Teck Cominco Argentina Ltd. ("Teck Resources") to earn an undivided 100% interest in Teck Resources' 100% option for the Poncha gold-copper project located in San Juan Province, Argentina.

The amended agreement requires the Company to undertake work expenditures on the property totaling US\$3,200,000 and make payments totaling US\$3,098,000 to the underlying property owner over three years as follows:

Exploration Expenditures US \$	Amended Option Payments US \$	Date
650,000	-	April 1, 2008 (incurred)
-	125,000	May 10, 2008 (Paid)
1,000,000	-	April 1, 2009 (incurred)
-	78,000	May 10, 2009 (Paid)
1,550,000	-	April 1, 2010
-	78,000	May 10, 2010
-	78,000	May 10, 2011
-	78,000	May 10, 2012
-	78,000	May 10, 2013
-	78,000	May 10, 2014
-	78,000	May 10, 2015
-	78,000	May 10, 2016
-	2,349,000	May 10, 2017*
<u>3,200,000</u>	<u>3,098,000</u>	

**The Company will pay \$750,000 USD on first publication of any 43-101 compliant resource greater than 500,000 oz gold and \$1,521,000 USD will be paid on publication of a bankable feasibility study. The property owners have the right to terminate the agreement if the aforementioned payments have not been made before May 10, 2017.*

The underlying owner will retain a 1% NSR royalty in the property. Teck Resources has an option to re-acquire up to a 65% interest in the Poncha Property through a "Back-In" right and an "Additional Earn-In" right. In order to exercise its initial Back-In right to acquire a 55% interest, Teck Resources is required to fund expenditures equal to twice the Company's expenditures (to a maximum of US\$6,400,000). To increase its interest to 65% Teck Resources would need to spend a further US\$10,000,000. The Agreement provides that under certain conditions Teck Resources may contribute to a percentage of the payments to the underlying property owner. Also, Teck Resources reserves a 1% NSR royalty if it chooses not to exercise its back-in right.

GOLDEN ARROW RESOURCES CORPORATION

(An Exploration Stage Company)

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009**
(Unaudited - Expressed in Canadian Dollars)

8. MINERAL PROPERTY INTERESTS (continued)

(c) Mogote Property, Argentina

The Company has agreements with Panthera, a publicly traded company with directors and an officer in common, whereby Panthera optioned the Company its Mogote Property in the NW San Juan Region of Argentina. Panthera earned a 51% interest in the Mogote Property by issuing a total of 1,650,000 of its common shares to the Company and incurring US \$1.25 million of expenditures.

On June 3, 2009 the Company announced that it had entered into an agreement to acquire from Panthera the remaining 51% interest in the Mogote property not already held by the Company and four Peruvian property concessions for consideration of \$168,870 CDN (\$150,000 USD) and a 1% NSR. This transaction received shareholder approval on July 22, 2009 and regulatory approval July 29, 2009. The amount allocated to acquisition costs for Mogote was \$159,763 CDN.

Prior to the purchase of the remaining 51% of the property, the Company's carrying value for the Mogote mineral property was nil.

(d) Rio Tabaconas, Peru

The Company holds an option to acquire a 100% interest in three concessions, in the Cajamarca Department of San Ignacio Province in northern Peru. Under the terms of the option agreement, the Company has paid US \$185,000 and is required to make further payments of US\$1,315,000 for a total of US\$1,500,000. On June 28, 2002, the Company suspended further exploration activities at the Rio Tabaconas project. This decision was made in response to the local community expressing its concerns with mineral exploration activities. The Company has deferred any further exploration until an agreement with the local community has been finalized. As a result the Company declared force majeure, as allowed under its option agreement. Accordingly, the Company and the optionor have deferred payment of the remaining option payments until the force majeure is discontinued. On August 1, 2003, the Company commenced paying US\$1,500 per month to the optionor as compensation during this waiting period. In 2006, the Company renegotiated the option agreement on Rio Tabaconas project and starting July 2006 commenced paying US\$3,000 per month to the optionor. The force majeure is still in effect as at September 30, 2009.

(e) Cocha, Mitu and Other Properties, Peru

On June 3, 2009 the Company announced that it had entered into an agreement to acquire from Panthera four Peruvian property concessions, including Cocha, Mitu, Acero and Fuyani, and the remaining 51% interest in the Mogote property not already held by the Company for consideration of \$168,870 CDN (\$150,000 USD) and a 1% NSR. The amount allocated for the four Peruvian mineral properties to acquisition costs were \$6,291, 1,681, \$715 and \$420, respectively. Also, included in acquisition costs are the 2008 validity fees totalling \$47,720.

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009
(Unaudited - Expressed in Canadian Dollars)

8. MINERAL PROPERTY INTERESTS (continued)

(e) La Morena Gold Project, Colombia

On March 2, 2009, the Company entered into an option agreement with an initial payment of US\$80,000 for the La Morena Gold Project. The project is located in Quindio Department, Colombia. To earn a 100% interest, the Company will make cash payments totalling US\$1,955,000 over the next five years as follows:

Option Payments US \$	Date
80,000	March 2, 2009 (Paid)
125,000	January 16, 2010
200,000	January 15, 2011
350,000	January 14, 2012
500,000	January 12, 2013
700,000	January 11, 2014
<u>1,955,000</u>	

9. SHARE CAPITAL

Authorized: unlimited common shares without par value

Issued:	September 30, 2009		December 31, 2008	
	Shares	Amount \$	Shares	Amount \$
Balance, beginning of period	15,468,655	9,144,655	15,258,655	8,936,344
Private placements	19,358,000	4,320,600	-	-
Warrant valuation	-	(1,118,784)	-	-
Share issue costs	-	(212,918)	-	-
Reallocation of warrant equity on the exercise of warrants	-	3,305	-	40,311
Exercise of warrants	75,000	18,750	210,000	168,000
Balance, end of period	<u>34,901,655</u>	<u>12,155,608</u>	<u>15,468,655</u>	<u>9,144,655</u>

(a) During the period ended September 30, 2009 the Company completed:

- i) a non-brokered private placement financing of 5,189,000 units at a price of \$0.15 per unit, for net proceeds of \$741,104, net of related share issue costs of \$38,682. Each unit consisted of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share, exercisable at a price of \$0.25 expiring January 9, 2011. The fair value assigned to the warrants was \$228,661. The warrants were valued using the Black-Scholes Pricing Model at \$0.04 per warrant on the following assumptions: dividend yield 0%, risk-free rate 1.44%, expected volatility 98% and expected life of 1.22 years. Included is subscription receivable is \$625,000 related to this financing.

GOLDEN ARROW RESOURCES CORPORATION

(An Exploration Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009 (Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

- ii) a non-brokered private placement financing of 9,054,000 units at a price of \$0.25 per unit, for net proceeds of \$2,094,831 net of related share issue costs of \$167,234. Each unit consisted of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share, exercisable at a price of \$0.40 expiring October 17, 2010. The fair value assigned to the warrants was \$491,785. The warrants were valued using the Black-Scholes Pricing Model at \$0.07 per warrant on the following assumptions: dividend yield 0%, risk-free rate 1.04%, expected volatility 100% and expected life of 1.08 years.
- iii) a non-brokered private placement financing of 5,115,000 units at a price of \$0.25 per unit for net proceeds of \$1,199,450, net of related share issue costs of \$79,300. Each unit consisted of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share, exercisable at a price of \$0.40 expiring January 30, 2011. The fair value assigned to the warrants was \$398,338. The warrants were valued using the Black-Scholes Pricing Model at \$0.08 per warrant on the following assumptions: dividend yield 0%, risk-free rate 1.35%, expected volatility 119% and expected life of 1.30 years.

(b) Stock options and stock-based compensation

The Company has established a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The stock options granted vest immediately and are subject to a four month hold period and exercisable for a period of five years. The exercise price of the options is set at the Company's closing share price on the grant date, less allowable discounts in accordance with the policies of the TSX Venture Exchange.

During the nine months ended September 30, 2009, the Company granted stock options to directors, employees and consultants to acquire 1,650,000 (September 30, 2008 - 45,000) common shares of the Company and recorded compensation expense of \$265,298 (September 30, 2008 - \$11,752) with a corresponding increase in contributed surplus as a result. The fair value of stock options granted is estimated on the date of grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions used for the grant made during the period:

	September 30, 2009	September 30, 2008
Risk-free interest rate	0.87%	3.45%
Estimated volatility	85%	74%
Expected life	3 years	3.2 years
Expected dividend yield	0%	0%

The weighted average fair value of the stock options granted during the year, calculated using the Black-Scholes Option Pricing Model, was \$0.16 (2008 - \$0.26) per share. Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's stock options.

GOLDEN ARROW RESOURCES CORPORATION*(An Exploration Stage Company)***NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009**
*(Unaudited - Expressed in Canadian Dollars)***9. SHARE CAPITAL (continued)**

A summary of the changes in the Company's outstanding stock options for the nine months ended September 30, 2009 is presented below:

	Number
Balance, December 31, 2008	1,293,900
Stock options granted	1,650,000
Stock options expired	<u>(20,000)</u>
Balance, September 30, 2009	<u><u>2,923,900</u></u>

Stock options outstanding and exercisable at September 30, 2009, are as follows:

Number	Exercise Price \$	Expiry Date
610,900	0.75	September 23, 2010
75,000	0.80	March 15, 2012
588,000	1.00	September 12, 2012
<u>1,650,000</u>	0.35	October 17, 2010
<u><u>2,923,900</u></u>		

(c) Warrants

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants and agents warrants outstanding at September 30, 2009 and the changes for the period is as follows:

	Number	\$
Balance, December 31, 2008	3,993,600	795,128
Warrants issued	19,358,000	1,118,784
Warrants exercised	(75,000)	(3,305)
Warrants expired	(3,993,600)	-
Warrant issue costs	-	<u>(72,297)</u>
Balance, September 30, 2009	<u><u>19,283,000</u></u>	<u><u>1,838,310</u></u>

Common shares reserved pursuant to warrants outstanding at September 30, 2009 are as follows:

Number	Exercise Price \$	Expiry Date
5,114,000	0.25	January 9 , 2011
9,054,000	0.40	October 17 , 2010
<u>5,115,000</u>	0.40	January 30 , 2011
<u><u>19,283,000</u></u>		

GOLDEN ARROW RESOURCES CORPORATION

(An Exploration Stage Company)

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009**
(Unaudited - Expressed in Canadian Dollars)

10. CONTRIBUTED SURPLUS

A continuity summary of contributed surplus is presented below:

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
	\$	\$
Balance, beginning of period	12,510,396	12,498,644
Stock options granted	<u>265,298</u>	<u>11,752</u>
Balance, end of period	<u><u>12,775,694</u></u>	<u><u>12,510,396</u></u>

11. RELATED PARTY TRANSACTIONS

- (a) The Company engages Grosso Group Management Ltd. (“Grosso Group”) to provide services and facilities to the Company. The Grosso Group is a private company owned by the Company, Kobex and Blue Sky Uranium Corp. (“Blue Sky”), each of which owns one share. The Grosso Group provides its shareholder companies with geological, corporate development, administrative and management services, office and sundry and rent, parking and storage. The shareholder companies pay monthly fees based upon a pro-rating of the Grosso Group’s costs including its staff and overhead costs among each shareholder company with regard to the mutually agreed average annual level of services provided to each shareholder company. The Grosso Group services contract also provides that, in the event the services are terminated by a member company, a termination payment would include three months of compensation and any contractual obligations that the Grosso Group undertook for the company, up to a maximum of \$500,000.

During the nine months ended September 30, 2009, the Company incurred fees of \$461,950 (2008 - \$380,423): a total of \$455,947 (2008 - \$396,287) was paid in monthly payments and \$6,003 is included in amounts payable as a result of a review of the allocation of the Grosso Group costs to the member companies for the period (2008 - \$15,864 in amounts receivable). In addition, included in deposits is an \$85,000 (2008 - \$85,000) deposit to the Grosso Group for the purchase of equipment and leasehold improvements and for operating working capital.

On October 19, 2009 Kobex gave notice that it was terminating this agreement, effective November 30, 2009. A termination payment of \$500,000, as described above, less the deposit of \$205,000 will be made on November 30, 2009.

- (b) Effective May 1, 2007, the Company entered into an agreement with Kobex to pay a monthly fee for the services provided by Kobex’s Chief Executive Officer who is also the Chief Executive Officer of the Company. The agreement may be terminated at any time by the Company upon 30 days written notice. For the nine months ended September 30, 2009, the Company paid \$24,000 (2008 - \$27,000) to Kobex for the services. This agreement was terminated effective September 1, 2009.
- (c) During the period the Company paid consulting fees of \$5,000 to a company controlled by the director of the company (2008 - \$Nil).

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009
(Unaudited - Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS (continued)

- (d) The Company entered into an agreement to acquire from Panthera four Peruvian property concessions and the remaining 51% interest in the Mogote property not already held by the Company for consideration of \$168,870 CDN (\$150,000 USD) and 1% NSR. Panthera has management in common with the Company. This transaction received shareholder approval on July 22, 2009 and regulatory approval July 29, 2009. Included in accounts payable is \$56,474 related to this transaction.

The Company and Blue Sky share office space and costs in Mendoza, Argentina.

All of the related party transactions and balances in these consolidated financial statements arose in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

12. SEGMENTED INFORMATION

The Company is involved in mineral exploration and development activities, which are conducted principally in Argentina, Colombia and Peru. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results. The Company has begun receiving royalty revenue in Argentina totalling \$769,397 for the nine months ended September 30, 2009.

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

	September 30, 2009				Total \$
	Corporate Canada \$	Mineral Operations Argentina \$	Mineral Operations Peru \$	Mineral Operations Colombia \$	
Current assets	2,559,100	598,510	53,825	48,627	3,260,062
Deposit	85,000	-	-	-	85,000
Mineral property interests	-	1,003,849	1,367,694	99,626	2,471,169
	<u>2,644,100</u>	<u>1,602,359</u>	<u>1,421,519</u>	<u>148,253</u>	<u>5,816,231</u>
	December 31, 2008				Total \$
	Corporate Canada \$	Mineral Operations Argentina \$	Mineral Operations Peru \$	Mineral Operations Colombia \$	
Current assets	1,007,116	44,984	22,975	114,529	1,189,604
Deposit	85,000	-	-	-	85,000
Long-term investment	186,392	-	-	-	186,392
Mineral property interests	-	854,481	1,310,867	-	2,165,348
	<u>1,278,508</u>	<u>899,465</u>	<u>1,333,842</u>	<u>114,529</u>	<u>3,626,344</u>

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009
(Unaudited - Expressed in Canadian Dollars)

13. SUPPLEMENTAL CASHFLOW INFORMATION

	Three Months Ended June 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	\$	\$	\$	\$
		Restated – Note 3		Restated – Note 3
Change in non-cash working capital				
Amounts receivable and prepaids	(167,186)	(90,593)	(419,988)	(87,071)
Accrued interest	3,949	45,859	6,476	32,694
Accounts payable	99,918	(198,187)	43,893	(184,866)
	(63,319)	(242,921)	(369,619)	(239,243)

14. SUBSEQUENT EVENTS

On November 4, 2009 the Company terminated its option agreement on the La Morena property in Colombia.

On November 6, 2009 the Company entered into an option agreement with a private Argentinean claim owner to earn a 100% interest in the Purulla Project in Catamarca Province, Argentina. The agreement requires Golden Arrow to make payment of USD \$100,000 on signing (paid) and further payments totalling USD \$1,025,000 over the next three years to acquire 100% of the properties.

On November 20, 2009 the directors of the Company approved the reorganization of the assets of the Company such that the Peruvian and Colombian assets will be spun-out into 0861879 B.C. Ltd., which will apply for listing on the TSX Venture Exchange. The Company will retain its Argentinean properties and its royalty interest in Yamana Gold Inc.'s Gualcamayo project. Golden Arrow, in exchange for 3,490,165 shares and 1,928,300 warrants of the Company, paid \$930,000 and transferred to the Company the Peruvian mineral properties with a carrying value of \$1,366,174.