
GOLDEN ARROW RESOURCES CORPORATION

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 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 months ended March 31, 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.

May 28, 2009

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)

INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited – Expressed in Canadian Dollars)

	March 31, 2009	December 31, 2008
	\$	\$
A S S E T S		
CURRENT ASSETS		
Cash	870,633	372,141
Short-term investments (Note 4)	178,514	657,878
Amounts receivable and prepaids (Note 9)	239,901	143,416
Marketable securities (Note 5)	25,409	16,169
	<u>1,314,457</u>	<u>1,189,604</u>
DEPOSIT (Note 9)	85,000	85,000
LONG-TERM INVESTMENT (Note 6)	-	186,392
MINERAL PROPERTY INTERESTS (Note 7)	<u>2,264,974</u>	<u>2,165,348</u>
	<u><u>3,664,431</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 9)	<u>106,006</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 8)	9,668,041	9,144,655
WARRANTS (Note 8)	1,012,846	795,128
CONTRIBUTED SURPLUS (Note 9)	12,510,396	12,510,396
ACCUMULATED OTHER COMPREHENSIVE INCOME	9,240	-
DEFICIT	<u>(19,642,098)</u>	<u>(18,999,076)</u>
	<u>3,558,425</u>	<u>3,451,103</u>
	<u><u>3,664,431</u></u>	<u><u>3,626,344</u></u>
NATURE OF OPERATIONS (Note 1)		
COMMITMENTS (Notes 7 and 9)		
SUBSEQUENT EVENTS (Note 11)		

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)

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Expressed in Canadian Dollars)

	<u>Three Months Ended March 31,</u>	
	2009	2008
	\$	\$ Restated – Note 3
EXPENSES		
Administration and management services (Note 9)	52,120	19,310
Corporate development and investor relations (Note 9)	29,600	83,828
Exploration (Note 7)	372,563	594,620
Office and sundry (Note 9)	44,919	30,482
Professional fees	20,502	13,035
Rent, parking and storage (Note 9)	22,554	13,793
Salaries and employee benefits (Note 9)	105,650	87,015
Stock-based compensation (Note 8)	-	11,752
Transfer agent and regulatory fees	9,132	6,701
Travel and accommodation	11,574	11,420
	<u>668,614</u>	<u>871,956</u>
LOSS BEFORE OTHER ITEMS	(668,614)	(871,956)
OTHER INCOME (EXPENSE)		
Foreign exchange	(6,363)	(49,905)
Interest and other income	11,245	44,942
Recovery on long-term investment (Note 6)	20,710	-
	<u>25,592</u>	<u>(4,963)</u>
LOSS FOR THE PERIOD	(643,022)	(876,919)
DEFICIT - BEGINNING OF PERIOD	<u>(18,999,076)</u>	<u>(14,174,927)</u>
DEFICIT - END OF PERIOD	<u>(19,642,098)</u>	<u>(15,051,846)</u>
 BASIC AND DILUTED LOSS PER COMMON SHARE	 <u>(0.03)</u>	 <u>(0.06)</u>
 WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	 <u>20,196,411</u>	 <u>15,265,358</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 COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Three Months Ended March 31,	
	2009	2008
	\$	\$
		Restated – Note 3
LOSS FOR PERIOD	(643,022)	(876,919)
OTHER COMPREHENSIVE INCOME		
Unrealized gain (loss) on available-for-sale marketable securities	9,240	(23,099)
COMPREHENSIVE LOSS FOR THE PERIOD	<u>(633,782)</u>	<u>(900,018)</u>

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GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Expressed in Canadian Dollars)

	Three Months Ended March 31,	
	2009	2008
	\$	\$
		Restated – Note 3
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Net loss for the period	(643,022)	(876,919)
Item not affecting cash		
Accrued interest	4,364	(13,167)
Stock-based compensation	-	11,752
Recovery on long-term investment	(20,710)	-
	(659,368)	(878,334)
Changes in non-cash working capital balances	(165,720)	(345,029)
	(825,088)	(1,223,363)
INVESTING ACTIVITIES		
Expenditures on mineral property interests	(99,626)	(36,812)
Receipt of long-term investment	207,102	-
Decrease in short-term investments	475,000	1,400,000
	582,476	1,363,188
FINANCING ACTIVITIES		
Issuance of common shares and warrants	778,350	168,000
Share issue costs	(37,246)	-
	741,104	168,000
INCREASE (DECREASE) IN CASH	498,492	307,825
CASH - BEGINNING OF PERIOD	372,141	289,842
CASH - END OF PERIOD	870,633	597,667

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GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Expressed in Canadian Dollars)

	Three Months Ended March 31, 2009 \$	2008 \$ Restated – Note 3
SHARE CAPITAL		
Balance at beginning of period	9,144,655	8,936,344
Private placements	778,350	-
Warrant valuation	(228,661)	-
Exercise of warrants	-	168,000
Reallocation of warrant equity on exercise of warrants	-	40,311
Share issue costs	(26,303)	-
Balance at end of period	<u>9,668,041</u>	<u>9,144,655</u>
WARRANTS		
Balance at beginning of period	795,128	835,439
Warrants issued	228,661	-
Warrant issue costs	(10,943)	-
Reallocation of warrant equity on the exercise of warrants	-	(40,311)
Balance at end of period	<u>1,012,846</u>	<u>795,128</u>
CONTRIBUTED SURPLUS		
Balance at beginning of period	12,510,396	12,498,644
Contributed surplus as a result of stock options granted	-	11,752
Balance at end of period	<u>12,510,396</u>	<u>12,510,396</u>
DEFICIT		
Balance at beginning of period	(18,999,076)	(14,174,927)
Loss for the year	(643,022)	(876,919)
Balance at end of period	<u>(19,642,098)</u>	<u>(15,051,846)</u>
ACCUMULATED OTHER COMPREHENSIVE LOSS		
Balance at beginning of period	-	(467,079)
Unrealized gain (loss) on available-for-sale marketable securities	9,240	(23,099)
Balance at end of period	<u>9,240</u>	<u>(490,178)</u>
TOTAL SHAREHOLDERS' EQUITY	<u><u>3,558,425</u></u>	<u><u>6,908,155</u></u>

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

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)
CONSOLIDATED SCHEDULE OF MINERAL PROPERTY INTERESTS
FOR THE THREE MONTHS ENDED MARCH 31, 2009
(Unaudited - Expressed in Canadian Dollars)

ACQUISITION COSTS

	Argentina						Peru	Colombia	Total
	Valle de Cura \$	Poncha \$	Jujuy \$	Pescado \$	Neuquen \$	Other \$	Rio Tabaconas \$	La Morena \$	
BALANCE – BEGINNING OF PERIOD	638,197	141,192	10,395	30,021	2,139	32,537	1,310,867	-	2,165,348
ACQUISITION COSTS DURING THE PERIOD:									
Cash	-	-	-	-	-	-	-	99,626	99,626
BALANCE - END OF PERIOD	<u>638,197</u>	<u>141,192</u>	<u>10,395</u>	<u>30,021</u>	<u>2,139</u>	<u>32,537</u>	<u>1,310,867</u>	<u>99,626</u>	<u>2,264,974</u>

EXPLORATION EXPENDITURES

	Argentina						Peru	Colombia	Total
	Valle de Cura \$	Poncha \$	Jujuy \$	Pescado \$	Neuquen \$	Other \$	Rio Tabaconas \$	La Morena \$	
CUMULATIVE COSTS EXPENSED – BEGINNING OF PERIOD	1,723,366	2,070,677	2,038,455	840,915	183,411	225,130	3,079,940	-	10,161,894
EXPLORATION EXPENDITURES DURING THE PERIOD:									
Assays	-	35,382	-	-	-	-	-	-	35,382
Communications	20	5,579	-	-	-	13	-	-	5,612
Drilling	-	14,438	-	-	-	-	-	-	14,438
Property maintenance payments	-	-	-	-	-	-	15,379	-	15,379
Office	137	41,889	658	-	-	3,337	8,049	-	54,070
Salaries and contractors	-	78,645	-	-	9,423	-	47,186	20,905	156,159
Supplies and equipment	65	8,217	-	-	-	43	-	-	8,325
Transportation	1,124	32,134	357	-	90	1,627	1,469	-	36,801
Social	-	-	-	-	-	-	20,728	-	20,728
IVA	111	17,807	84	-	783	413	6,471	-	25,669
	<u>1,457</u>	<u>234,091</u>	<u>1,099</u>	<u>-</u>	<u>10,296</u>	<u>5,433</u>	<u>99,282</u>	<u>20,905</u>	<u>372,563</u>
CUMULATIVE COSTS EXPENSED – END OF PERIOD	<u>1,724,823</u>	<u>2,304,768</u>	<u>2,039,554</u>	<u>840,915</u>	<u>193,707</u>	<u>230,563</u>	<u>3,179,222</u>	<u>20,905</u>	<u>10,534,457</u>

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

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 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.

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. 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. The preparation of financial statements in conformity with generally accepted accounting principles 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 Canadian 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.

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.

Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2009
(Unaudited - Expressed in Canadian Dollars)

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 and reliable. 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 earnings as they are incurred until the property reaches development stage. All direct costs related to the acquisition of resource 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 retroactive basis. The impact of this change on the previously reported March 31, 2008 consolidated financial statements is as follows:

	As previously reported \$	Restatement \$	As restated \$
Mineral property interests as at March 31, 2008	9,727,388	(7,949,125)	1,778,263
Exploration expense for the period ended March 31, 2008	244,786	349,834	594,620
Loss for the period ended March 31, 2008	(527,085)	(349,834)	(876,919)
Loss per share for the period ended March 31, 2008	(0.03)	(0.03)	(0.06)
Deficit at March 31, 2008	(8,095,393)	(6,956,453)	(15,051,846)
Deficit at December 31, 2008	(6,328,504)	(12,670,572)	(18,999,076)
Cash flows from operating activities for the period ended March 31, 2008	(669,517)	(553,846)	(1,223,363)
Cash flows from investing activities for the period ended March 31, 2008	809,342	553,846	1,363,188

4. SHORT-TERM INVESTMENTS

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

	March 31, 2009	
	Maturity	Fair Value \$
12 month term deposit - 3.15% annual interest rate (\$175,000 principal)	August 12, 2009	178,514

GOLDEN ARROW RESOURCES CORPORATION
(An Exploration Stage Company)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2009
(Unaudited - Expressed in Canadian Dollars)

4. SHORT-TERM INVESTMENTS (continued)

	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 subsequent to 30 days from the date of investment.

5. MARKETABLE SECURITIES

At March 31, 2009, the Company held 230,990 (2007 – 230,990) common shares of Panthera Exploration Inc. ("Panthera") which had a quoted market value of \$25,408 (December 31, 2008 - \$16,169). 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 \$9,240 was recorded for the period ended March 31, 2009. 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 March 31, 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, 2007, 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 MONTHS ENDED MARCH 31, 2009

(Unaudited - Expressed in Canadian Dollars)

7. 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 March 31, 2009 and December 31, 2008:

	March 31, 2009			December 31, 2008		
	Acquisition Costs \$	Exploration Expenditures \$	Total \$	Acquisition Costs \$	Exploration Expenditures \$	Total \$
Argentina						
Valle de Cura	638,197	1,724,823	2,363,020	638,197	1,723,366	2,361,563
Poncha	141,192	2,304,768	2,445,960	141,192	2,070,677	2,211,869
Jujuy	10,395	2,039,554	2,049,949	10,395	2,038,455	2,048,850
Pescado	30,021	840,915	870,936	30,021	840,915	870,936
Neuquen	2,139	193,707	195,846	2,139	183,411	185,550
Other	32,537	230,563	263,100	32,537	225,130	257,667
	854,481	7,334,330	8,188,811	854,481	7,081,954	7,936,435
Peru						
Rio Tabaconas	1,310,867	3,179,222	4,490,089	1,310,867	3,079,940	4,390,807
Colombia						
La Morena	99,626	20,905	120,531	-	-	-
	2,264,974	10,534,457	12,799,431	2,165,348	10,161,894	12,327,242

(a) Argentinean Properties

The Company has either staked, fully paid or holds options to acquire 100% working interests in mineral properties in several provinces of Argentina.

(b) Valle de Cura Properties

As of March 31, 2009, the Company has made its final option payment of US \$60,000 on the Valle de Cura properties.

The Company has also agreed to pay net smelter return royalties ("NSR") of up to US \$5,000,000 once commercial production is achieved on the Valle de Cura properties. The US\$5,000,000 was calculated based on the following:

- 1 Property - up to US \$1,000,000 in NSR each
- 5 Properties - up to US \$800,000 in NSR each

(c) Poncha Property

Effective March 30, 2007, the Company entered into an option agreement with Teck Cominco Limited through its subsidiary Teck Cominco Argentina Ltd. ("Teck Cominco") to earn an undivided 100% interest in Teck Cominco's 100% option for the 3,000 ha Poncha gold-copper project located in San Juan Province, Argentina.

GOLDEN ARROW RESOURCES CORPORATION
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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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7. MINERAL PROPERTY INTERESTS (continued)

The agreement requires the Company to undertake work expenditures on the property totaling US\$3,200,000 and make payments totaling US\$2,880,000 to the underlying property owner over three years as follows:

Exploration Expenditures US \$	Option Payments US \$	Date
650,000	-	April 1, 2008 (incurred)
-	125,000	May 10, 2008 (paid)
1,000,000	-	April 1, 2009 (incurred)
-	250,000	May 10, 2009
1,550,000	-	April 1, 2010
-	750,000	May 10, 2010
-	1,755,000	May 10, 2011
<u>3,200,000</u>	<u>2,880,000</u>	

On March 3, 2009 the Company amended the agreement with the property owner. The new cash terms are as follows:

Original Option Payments US \$	Amended Option Payments US \$	Date
125,000	125,000	May 10, 2008 (Paid)
250,000	78,000	May 10, 2009
750,000	78,000	May 10, 2010
1,755,000	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>2,880,000</u>	<u>3,089,000</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. This amendment is subject to approval of the Argentinean courts.*

The underlying owner will retain a 1% NSR royalty in the property. Teck Cominco has an option to re-earn 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 Cominco 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 Cominco would need to spend a further US\$10,000,000. The Agreement provides that under certain conditions Teck Cominco may contribute to a percentage of the payments to the underlying property owner. Also, Teck Cominco reserves a 1% NSR royalty if it chooses not to exercise its back-in right.

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7. MINERAL PROPERTY INTERESTS (continued)

(d) Mogote Property, Argentina

The Company has agreements with Panthera, a publicly traded company with common management, whereby the Company optioned its Mogote Property in the NW San Juan Region of Argentina. Panthera has exercised the option to earn a 51% interest in the Mogote Property. Panthera has fulfilled the option requirements to issue a total of 1,650,000 of its common shares to the Company and to incur US \$1.25 million of expenditures.

On May 14, 2007, Panthera gave notice to the Company that it will not incur the additional expenditures required in order to earn the additional 24% interest.

The carrying value for the Mogote mineral property is nil.

(e) 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 March 31, 2009.

(f) La Morena Gold Project, Colombia

On March 2, 2009, the Company commenced an option agreement with an initial payment of US\$80,000 for the La Morena Gold Project. The 293 hectare project is located 160km west of Bogota 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.

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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2009
(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL

Authorized: unlimited common shares without par value

Issued:	March 31, 2009		December 31, 2008	
	Shares	Amount \$	Shares	Amount \$
Balance, beginning of period	15,468,655	9,144,655	15,258,655	8,936,344
Issued during the year for:				
Private placements	5,189,000	778,350	-	-
Warrant valuation	-	(228,661)	-	-
Share issue costs	-	(26,303)	-	-
Reallocation of warrant equity on the exercise of warrants	-	-	-	40,311
Exercise of warrants	-	-	210,000	168,000
Balance, end of period	20,657,655	9,668,041	15,468,655	9,144,655

(a) During the period ended March 31, 2009:

- i) The Company completed 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 \$37,246. Each unit consisted of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share in the capital of the Company, 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.

(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 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 three months ended March 31, 2009, the Company granted stock options to directors, employees and consultants to acquire Nil (March 31, 2008 – 45,000) common shares of the Company and recorded compensation expense of \$Nil (March 31, 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:

Three Months Ended	March 31, 2009	March 31, 2008
Risk-free interest rate	-	3.45%
Estimated volatility	-	74%
Expected life	-	3.2 years
Expected dividend yield	-	0%

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8. SHARE CAPITAL (continued)

The weighted average fair value of the stock options granted during the year, calculated using the Black-Scholes Option Pricing Model, was \$Nil (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.

There were no changes to the Company's outstanding stock options for the period ended March 31, 2009.

Stock options outstanding and exercisable at March 31, 2009, are as follows:

Number	Exercise Price \$	Expiry Date
610,900	0.75	September 23, 2010
75,000	0.80	March 15, 2012
<u>608,000</u>	1.00	September 12, 2012
<u>1,293,900</u>		

(c) Warrants

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants and agents warrants outstanding at March 31, 2009 and the changes for the period is as follows:

	Number	\$
Balance, December 31, 2008	3,993,600	795,128
Warrants issued	5,189,000	228,661
Warrant issue costs	-	(10,943)
Balance, March 31, 2008	<u>9,182,600</u>	<u>1,012,846</u>

Common shares reserved pursuant to warrants outstanding at March 31, 2009 are as follows:

Number	Exercise Price \$	Expiry Date
1,283,600	1.00	April 2, 2009
2,710,000	1.90	June 12, 2009
<u>5,189,000</u>	0.25	January 9, 2011
<u>9,182,600</u>		

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9. RELATED PARTY TRANSACTIONS

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, IMA 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 three months ended March 31, 2009, the Company incurred fees of \$137,040 (2008 - \$117,552); a total of \$144,000 (2008 - \$150,000) was paid in monthly payments and \$6,960 is included in amounts receivable and prepaids (2008 - \$32,448) as a result of a review of the allocation of the Grosso Group costs to the member companies for the period. 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.

Effective May 1, 2007, the Company entered into an agreement with IMA to pay a monthly fee for the services provided by IMA’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 three months ended March 31, 2009, the Company paid \$9,000 (2008 - \$9,000) to IMA for the services.

The Company, Blue Sky and IMA 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.

10. 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’s total assets are segmented geographically as follows:

	March 31, 2009				
	Corporate Canada \$	Mineral Operations Argentina \$	Mineral Operations Peru \$	Mineral Operations Colombia \$	Total \$
Current assets	1,017,778	252,003	16,529	28,147	1,314,457
Deposit	85,000	-	-	-	85,000
Mineral property interests	-	854,481	1,310,867	99,626	2,264,974
	<u>1,278,508</u>	<u>899,465</u>	<u>1,333,842</u>	<u>114,529</u>	<u>3,664,431</u>

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10. SEGMENTED INFORMATION (continued)

	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
	1,278,508	899,465	1,333,842	114,529	3,626,344

11. SUBSEQUENT EVENTS

On April 17, 2009, the Company completed a non-brokered private placement financing of 9,054,000 units at a price of \$0.25 per unit for net proceeds of \$2,109,900 net of related share issue costs of \$153,600. Each unit consisted of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share in the capital of the Company, exercisable at a price of \$0.40 expiring October 17, 2010.

On May 27, 2009 the Company received notice from Yamana Gold Inc. that it will receive its first royalty payment of \$138,658 USD, which relates to its first quarter production of its Gualcamayo project.