

GOLDEN ARROW RESOURCES CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2009

Introduction

The following discussion of the operating results and the financial position of Golden Arrow Resources Corporation (the "Company") which have been prepared on the basis of available information up to April 23, 2010, should be read in conjunction with the annual audited consolidated financial statement and notes thereto of the Company for the years ended December 31, 2009 and 2008. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"). The discussion also provides an indication of future developments along with issues and risks that can be expected to impact future operations. There is no guarantee of future performance as actual results could change based on factors beyond management's control. Except as otherwise disclosed all dollar figures in this report are stated in Canadian dollars. Additional information relevant to the Company can be found on the SEDAR website at www.sedar.com.

Forward Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in mining including environmental hazards, industrial accidents, unusual or unexpected geological formations, risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour; the inherent uncertainty of future production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, foreign taxation, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties, including those described under Risk Factors Relating to the Company's business in each management discussion and analysis. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of gold; that the Company can access financing, appropriate equipment and sufficient labour and that the political environment within Argentina, Peru and Colombia will continue to support the development and operation of mining projects. 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 forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

Overview

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 a natural resource company engaged in the business of acquisition and exploration of mineral properties in Argentina. The Company's strategy is to acquire properties for the purpose of mineral exploration and exploitation. In the event the Company discovers mineralization capable of economic production, it intends to develop or seek a joint venture partner and/or to sell all or a portion of its interest in the subject property to finance the development of such property and/or use the funds to develop other properties. There is no assurance that a commercially viable mineral deposit exists on any of the properties. Further exploration will be required before a final evaluation as to the economic and legal feasibility of any of the properties is determined.

On January 27, 2010, the Company completed the spinout of its Peruvian and Colombian properties by way of a statutory plan of arrangement (the "Arrangement"), originally announced in the Company's news release dated

November 25, 2009. The Company, in exchange for 3,490,165 common shares and 1,928,300 warrants of Golden Alliance Resources Corporation, paid \$930,000 and spun-out its Peruvian and Colombian mineral property interests with a carrying value of \$1,410,483. The shares and warrants were distributed to the Company's shareholders and warrant holders. The Company retained its Argentinean properties and its royalty interest in Yamana Gold Inc.'s Gualcamayo project.

These consolidated financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The Company's ability to continue as a going concern is dependant on its ability to raise equity financing and attain profitable operations. Management intends to raise further financing in the future. There can be no assurance that future financing can be successfully concluded. These consolidated financial statements do not reflect adjustments to the carrying value of assets and liabilities, the reported income and expenses and balance sheet classifications used that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material. Management has assessed and concluded that the Company has the ability to continue as a going concern for the next twelve months from the balance sheet date.

Principal Properties

Argentina

Net Smelter Royalty with Yamana

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 year ended December 31, 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 |
| December 31, 2009 | January 31, 2010 | <u>566,317</u> | <u>516,434</u> |
| | | <u>1,335,714</u> | <u>1,205,298</u> |

Pescado Gold Project, San Juan

The Company holds four mineral claims in the Gualcamayo area of San Juan: Sierra Pescado I, Sierra Pescado II, Durazno and Yanso. These 100% owned claims cover approximately 18,000ha and form the Pescado Gold Project.

In 2008, the Company negotiated with Barrick Gold Exploration through its subsidiary Barrick Exploraciones Argentina S.A. ("BEASA") to provide a right of way to access water from Golden Arrow's Rio de las Taguas property. In exchange for providing access to water for BEASA's Pascua Lama gold project, Golden Arrow acquired from BEASA 100% of the 1,592ha Aspero 1 claim. This claim is strategically important for Golden Arrow because it is contiguous to the Company's 100% owned Pescado Gold Project which now totals 19,194ha.

The northern boundary of the Pescado Gold Project is 10km south of the main gold zone on the Gualcamayo deposit in a similar geological and structural setting. It is between 1,500m and 3,000m elevation and is accessible for year-round exploration. To date the Pescado Gold Project properties have all had systematic silt sampling, follow-up soil grids and rock sampling surveys carried out, with the exception of Durazno which has had only preliminary silt and rock sampling completed. 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: 1m of 17.59 g/t gold; 1m of 10.75 g/t gold and 1m of 6.68 g/t Au (Pescado I and II); 2m of 1.27 g/t gold; 2m of 3.46 g/t gold and 2m of 3.15 g/t gold (Yanso); 2m of 0.13 g/t gold, 10.2 g/t silver, >1% copper, 3,535 ppm lead and 2,719 ppm zinc (Durazno).

A helicopter-borne aeromagnetic survey was conducted on the Pescado Gold Project in 2008. The survey was flown by New Sense Geophysics Limited and comprised 1,870 line kilometres covering the entire 18,000ha property with 200m spaced lines.

No work was carried out on the Pescado Gold Project during the twelve month period ending December 31, 2009. The Company is currently seeking joint venture partners to fund continued exploration of the project.

Analyses for the samples collected at the Pescado Gold Project were performed by Alex Stewart Assayers. The technical information above has been reviewed by Dr. David A. Terry, P.Geo., director and Vice President Exploration, and a Qualified Person.

Valle de Cura, San Juan

The Company has five exploration properties in the Valle de Cura region. The Company continues to seek partners to advance the drill ready Rio de las Taguas and Poterillos properties and the other, earlier-stage exploration properties in the area. A data review and field visit was carried out in late 2008. No work was carried out on the Valle de Cura properties during the twelve month period ending December 31, 2009. The Company plans to carry out surface exploration on the properties during 2010.

Mogote, San Juan

On June 3, 2009, the Company announced that it had entered into a binding property transfer agreement to acquire from Panthera four Peruvian property concessions and the remaining 51% interest in the Mogote property not already held by the Company. The terms of the property transfer agreement are detailed under the Peru Property section. This transaction received shareholder approval on July 22, 2009 and regulatory approval July 29, 2009.

Purulla Project, Catamarca

On November 6, 2009, the Company announced it entered into an option agreement with a private Argentinean claim owner to earn an undivided 100% interest in the Purulla Porphyry Copper-Molybdenum (Cu-Mo) Project in Catamarca Province, Argentina. The Purulla Project includes two licenses totaling 5,000ha.

The agreement requires the Company 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 as follows:

| Option Payment US \$ | Date |
|-------------------------|------------------|
| 125,000 | October 20, 2010 |
| 200,000 | October 20, 2011 |
| 700,000 | October 20, 2012 |
| <u>1,025,000</u> | |

The Purulla Cu-Mo porphyry property is located within a prominent NW-SE trending structural corridor along which several large Miocene-aged copper porphyries occur in NW Argentina and Chile. The project covers a 1,000m by 300m zone of leached quartz-iron oxide stockwork with intense argillic alteration and anomalous Mo-Cu within a broader zone of alteration. This alteration zonation, along with IP chargeability anomalies

identified at depth, are consistent with the presence of a porphyry Cu-Mo system with potential for a significant supergene-enriched Cu zone at depth. The property is drill-ready with permits and targets for a 2010 drill program.

Jujuy Province

The Company had three properties in the province of Jujuy in northern Argentina: the Antiguyo Property (Antiguyo I and II), the San Jose Property and the Timon Cruz Property. These properties mainly cover lode and bulk tonnage gold targets hosted by folded Ordovician sediments.

No work was carried out on the Jujuy properties during the twelve months ending December 31, 2009. Due to the results of the San Jose drilling program, evaluation of the Antiguyo project and not having the balance of the concessions applied for after a considerable period of time, the Company has decided to write off the Jujuy properties. Accordingly, the Company wrote off \$10,395 of acquisition costs capitalized to the property to date.

Neuquen Province

In 2007, the Company staked 3 categoos totaling 29,877 hectares in Neuquen Province. Only preliminary work has been carried out on these properties.

The Company's Argentine-based exploration team is currently conducting focused exploration programs to assess a number of the properties currently in its portfolio and initiating generative programs to identify targets in high-potential mineral districts in Argentina. In addition the team is evaluating a number of advanced-stage projects in Argentina, as well as other Latin American countries. The Company will continue to lever its exploration expenditures through joint-venturing projects with high quality partners.

Poncha, San Juan

In April 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 3,000 ha Poncha gold-copper project located in San Juan, Argentina.

The agreement required the Company to undertake work expenditures on the property totaling US\$3,200,000 over three years with a first year's commitment of US\$650,000. Teck Resources managed the first exploration program under a six month management contract with the Company. In addition the Company is responsible for payments totaling US\$2,880,000 to the underlying property owner over four years. The underlying owner would retain a 1% NSR royalty in the property. Teck Resources had 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 Resources was 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. Also Teck Resources reserved a 1% NSR royalty if it choose not to exercise its back-in right.

On March 3, 2009 the Company amended the agreement with the property owner. The new cash terms were to pay US\$3,098,000 between May 10, 2008 and May 10, 2017 (US\$203,000 paid). The property owners would have the right to terminate the agreement if the aforementioned payments have not been made before May 10, 2017.

During March and April of 2009, the Company completed four step-out drill holes totaling 2,175m centered on hole RCPC13. All four of the drill holes completed intersected anomalous gold mineralization in multiple intervals.

On February 1, 2010 the Company announced it had terminated its option on the Poncha project due to poor results. Accordingly, the Company wrote off \$231,609 of acquisition costs capitalized to the property during 2009.

Peru

On November 25, 2009 the Company announced a proposed spin-off of its Peruvian and Colombian assets into a new public company, Golden Alliance Resources Corporation trading under the symbol GLL on the TSX-V. The effective date of the arrangement was January 27, 2010. More detailed information on Golden Arrow, Golden Alliance and the Arrangement can be found in Golden Arrow's management information circular dated November 20, 2009, filed on SEDAR at <http://www.sedar.com>.

Rio Tabaconas

The Company had previously declared force majeure, as allowed under the property option agreement, on the property payments for this project. The Company is maintaining these properties in good standing.

Effective April 1, 2007, the Company retained Gestora De Negocios e Inversiones ("GNI") and its president, Augusto Baertl, to assist in reopening negotiations with the stakeholders in the local communities, the Church and the government. GNI will prepare and present a plan to the Company with their proposals to reopen the negotiations. The goal of resuming exploration activities on the project is a difficult one. The Company thinks that there may now be an opportunity for progress in preparing for the resumption of exploration work on the Rio Tabaconas project. It is the Company's intention to work with the stakeholders to assure them that the project is to the benefit of all and will be managed in an environmentally and socially responsible manner.

The September 2008 updated report highlighted advances in the further understanding of the underlying factors that generated past conflicts and the concerns of the local communities. This report also recommended a framework to appropriately approach formal negotiations. This framework has been carefully evaluated and discussed with specialists on this field and it is currently under development.

Other

On June 3, 2009, the Company announced that it had entered into a binding property transfer agreement to acquire from Panthera four Peruvian property concessions and the remaining 51% interest in the Mogote property not already held by the Company. The acquisition includes the Cocha and Mitu copper-silver properties in Junin Department and the Acero and Fuyani copper-gold projects in Cuzco Department.

According to the terms of the property transfer agreement, the Company purchased the Properties from Panthera in consideration for a US\$150,000 (\$168,870 CDN) cash payment and the grant of a 1% net smelter returns royalty to Panthera (one half of which may be purchased by the Company for US\$1,000,000). The Company will assume all of the ongoing property maintenance requirements of the Properties. This transaction received shareholder approval on July 22, 2009 and regulatory approval July 29, 2009.

Colombia

On March 2, 2009 the Company commenced an option agreement with an initial option payment of \$80,000 USD for the La Morena Gold Project. The 293 hectare La Morena Gold Project is located 160km west of Bogota in Quindio Department, Colombia. The project includes the 150 hectare La Morena claim that contains a small permitted underground gold mine developed on a mineralized quartz vein, in addition to a number of other prospects, and the 143 hectare El Eden claim that also hosts several gold prospects. The option agreement with a private Colombian company can earn a 100% interest in the 150 hectare La Morena claim by making cash payments totalling US\$1.955 million over five years.

During the fourth quarter of 2009, the Company completed a work program to evaluate the project and as a result the Company terminated its option on the 150ha La Morena claim.

Selected Quarterly Financial Information

The following selected consolidated financial information is derived from the unaudited interim consolidated financial statements of the Company. The information has been prepared in accordance with Canadian GAAP.

| | 2009 | | | | 2008 | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Dec. 31 \$ | Sep. 30 \$ | Jun. 30 \$ | Mar. 31 \$ | Dec. 31 \$ | Sep. 30 \$ | Jun. 30 \$ | Mar. 31 \$ |
| Revenues | 566,317 | 376,682 | 223,340 | 169,375 | Nil | Nil | Nil | Nil |
| Net Earnings Income (Loss) | (310,340) | (272,740) | (1,275,304) | (643,022) | (1,711,363) | (658,856) | (1,577,011) | (876,919) |
| Net Loss per Common Share Basic and Diluted | (0.01) | (0.01) | (0.05) | (0.02) | (0.11) | (0.04) | (0.10) | (0.06) |

For the three months ended December 31, 2009, the Company recorded a loss of \$310,340, a decrease in loss of \$1,401,023 from the \$1,711,363 loss incurred during the three months ended December 31, 2008. The decrease in loss is primarily a result of:

- Administrative and management services increased to \$256,488 in the 2009 period compared to \$61,302 in the 2008 period. The increase is mainly as a result of the Company recording a consulting fee of \$214,500 for the 650,000 shares that were granted to a director of the Company subsequent to year end.
- Exploration costs decreased by \$329,093 to \$200,254 in the 2009 period compared to \$529,347 in the 2008 period mainly as a result of the Company working on the Poncha property in the fourth quarter of 2008.
- Professional fees increased to \$134,522 in the 2009 period compared to \$24,421 in the 2008 period. The increase is as a result of the Company reorganizing the assets of the Company in the spin-out of its Peruvian and Colombian assets.
- Royalty income increased to \$566,317 in the 2009 period compared to \$Nil in the 2008 period as a result of the company receiving its fourth payment of royalty revenue for the fourth quarter of production of Yamana's Gualcamayo advanced stage gold project, which commenced production at the beginning of 2009.
- Expense recovery in the 2009 period was \$255,000 which related to a recovery of expenses from the Grosso Group. There was no expense recovery in 2008.
- The Company wrote off \$331,235 of mineral property acquisitions costs for the Poncha property and La Morena in the 2009 period compared to \$Nil in the 2008 period.
- The Company recorded an income tax recovery of \$119,269 in the 2009 period, which relates the capital gains tax on the expired warrants.

Summary of Financial Results

For the year ended December 31, 2009, the Company reported a consolidated loss of \$2,501,406 (\$0.09 per share), a decrease of \$2,322,743 from the loss of \$4,824,149 (\$0.31 per share) for the year ended December 31, 2008. The decrease in the loss in 2009 period, compared to the 2008 amount, was due to a number of factors of which \$342,782 can be attributed to decreases in operating expenses and a \$1,860,692 increase in other income items.

The Company's operating expenses for the year ended December 31, 2009 were \$3,678,043, a decrease of \$342,782 from \$4,020,825 in the 2008 period as a result of the following:

- Administrative and management services increased to \$338,966 in 2009 compared to \$126,090 in 2008. The increase is mainly as a result of the Company recording a consulting fee of \$214,500 for the 650,000 shares that were granted to a director of the Company (issued subsequent to year end).
- Corporate development and investor relations decreased by \$80,731 to \$90,612 in 2009 compared to \$171,343 in 2008 mainly due to decreased costs associated with advertising and attendance at investor conferences.

- Exploration costs decreased by \$1,063,553 to \$1,855,223 in 2009 compared to \$2,918,776 in 2008. In the 2009 period the majority of exploration incurred was on the Poncha project in Argentina and the Rio Tabaconas project in Peru. In the 2008 period, the majority of expenditures were on the Poncha, Pescado and Jujuy projects in Argentina, Rio Tabaconas project in Peru and general exploration in Colombia.
- Professional fees increased to \$308,112 in 2009 compared to \$83,931 in the 2008 period as a result of increased legal fees associated with the Company reorganizing the assets of the Company in the spin-out of its Peruvian and Colombian assets.
- Stock-based compensation increased to \$265,298 in 2009 compared to \$11,752 in 2008 as a result of the Company granting stock options to directors, employees and consultants to acquire 1,650,000 (2008 – 45,000) common shares of the Company.

Royalty income increased to \$1,335,714 in 2009 compared to \$Nil in 2008 as a result of the company receiving three quarterly payments and accruing the fourth payment of royalty revenue for Yamana's Gualcamayo advanced stage gold project, which commenced production at the beginning of 2009.

The Company recorded an expense recovery in 2009 of \$255,000 which related to a recovery of expenses from the Grosso Group as a result of Kobex paying a severance of \$500,000 to the Grosso Group on November 30, 2009. There was no expense recovery in 2008.

During the year ended December 31, 2009 the Company capitalized acquisition costs of \$6,558 on the Valle de Cura property, \$167,924 on the Mogote property, \$90,417 on the Poncha property, \$117,981 on the Purulla property and \$15,811 on other properties in Argentina, \$30,843 on the Cocha property, \$15,513 on the Mitu property, and \$23,260 on other properties in Peru and \$99,626 on the La Morena Gold project in Colombia. In Argentina the Company incurred exploration expenditures of \$9,645 on Valle de Cura, \$1,232,877 on Poncha and \$32,413 on other properties, and in Peru the Company incurred expenditures of \$437,588 on Rio Tabaconas, and in Colombia the Company incurred expenditures of \$142,700 on La Morena. During the period the Company wrote-off \$231,609 of acquisition costs on the Poncha property and \$10,395 of acquisition costs related to the Jujuy project in Argentina and \$99,626 of acquisition costs related to La Morena project in Colombia. See the "Exploration Projects" section above for further discussion.

Operating Cash Flow

Cash outflow from operating activities was \$2,960,450 for the year ended December 31, 2009 compared to \$4,047,202 during the year ended December 31, 2008.

Financing Activities

During the year ended December 31, 2009 the Company received \$4,320,600 from private placements less issue costs of \$285,215 compared to the receipt of \$Nil from private placements in 2008. In addition, in 2009 the Company received \$18,750 from the exercise of warrants (2008 – \$168,000).

Investing Activities

Investing activities consumed cash of \$835,831 for the year ended December 31, 2009 compared to cash generated of \$3,961,501 in 2008. In 2009, investing activities included additions of \$567,933 to mineral property acquisition costs, a receipt of \$207,102 related to the long-term investment and an increase of \$475,000 in short-term investments. In 2008, investing activities included additions of \$388,499 to mineral property acquisition costs and a decrease of \$4,350,000 in short-term investments.

Liquidity and Capital Resources

The Company's cash position at December 31, 2009 was \$629,995 compared to \$372,141 at December 31, 2008, with working capital of \$2,696,309 compared to \$1,014,363 at December 31, 2008. Short-term investments balance increased to \$1,127,234 at December 31, 2009 from \$657,878 at December 31, 2008. Total assets increased to \$5,348,977 at December 31, 2009 from \$3,626,344 at December 31, 2008. As at April 23, 2010, the Company had working capital of approximately \$1,419,000.

As the Company is an exploration stage company, revenues have been limited to interest earned on cash held with the Company's financial institutions and royalty revenue from Yamana. For the year ended December 31, 2009 the Company recorded interest income of \$20,610 compared to \$109,444 for the year ended December 31, 2008. The Company received royalty revenue from its NSR on Yamana's Gualcamayo Gold Project totaling \$1,335,714 for the year ended December 31, 2009 compared to \$Nil for the 2008 period.

As at December 31, 2008 the Company held \$207,102 of asset backed commercial paper ("ABCP"). This investment was to mature on September 13, 2007 but has been rolled over under the provisions of the "Montreal Accord". On April 9, 2008 Canaccord Capital Corporation ("Canaccord") announced the Canaccord Relief Program, a repurchase plan that offers the Company the opportunity to sell the ABCP at par. In 2007, the Company assessed fair value and recorded an impairment loss of \$20,710 related to this investment, representing a 10% valuation allowance of the original principal amount. During the three months ended March 31, 2009 the Canaccord Relief program was completed and the Company received \$214,661 for the principal and unpaid interest.

The Company has financed its operations through the sale of its equity securities. During the year ended December 31, 2009, 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 \$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.
- 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.
- 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 in the capital of the Company, exercisable at a price of \$0.40 expiring January 30, 2011.

The Company will continue to rely on successfully completing additional equity financing and/or conducting joint venture arrangements for further exploration on its properties. There can be no assurance that the Company will be successful in obtaining the required financing or negotiating joint venture agreements. The failure to obtain such financing or joint venture agreements could result in the loss of or substantial dilution of its interest in its properties.

The Company may elect to acquire new projects, at which time additional equity financing may be required to fund overheads and maintain its interests in current projects, or may decide to relinquish certain of its properties. These decisions will be based on the results of ongoing exploration programs and the response of equity markets to the projects and business plans.

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 or the acquisition of projects.

Subsequent Events

- i) On January 7, 2010 the Company completed a non-brokered private placement financing of 680,000 shares at a price of \$0.33 per share, for gross proceeds to the Company of \$224,400.
- ii) On January 27, 2010, the Company completed the spinout of its Peruvian and Colombian properties by way of a statutory plan of arrangement (the "Arrangement"), originally announced in the Company's news release dated November 25, 2009. The Company, in exchange for 3,490,165 common shares and

1,928,300 warrants of Golden Alliance Resources Corporation, paid \$930,000 and spun-out its Peruvian and Colombian mineral property interests with a carrying value of \$1,410,483. The shares and warrants were distributed to the Company's shareholders and warrant holders.

- iii) On February 1, 2010 the Company terminated its option agreement for Poncha.
- iv) On March 31, 2010, the Company granted 100,000 stock options to a consultant at an exercise price of \$0.36 expiring March 31, 2015.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

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 Minerals Inc. ("Kobex") (formerly IMA Exploration Inc.) 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.

On November 30, 2009 Kobex terminated its services agreement with the Grosso Group. Upon termination Kobex paid a severance of \$500,000 to the Grosso Group. The Grosso Group allocated an expense recovery of \$255,000 to the Company which is included in accounts receivable.

During fiscal 2009, the Company incurred fees of \$664,357 (2008 - \$508,384): a total of \$687,171 (2008 - \$524,418) was paid in monthly payments and \$22,814 is included in accounts receivable as a result of a review of the allocation of the Grosso Group costs to the member companies for the year (2008 - \$16,034). 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.

- 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 fiscal 2009, the Company paid \$24,000 (2008 - \$36,000) to Kobex for the services. This agreement was terminated on September 1, 2009.
- c) Effective December 1, 2009 the Company entered into an agreement with a director of the Company to pay a monthly salary of \$7,000. The Company also agreed to issue 650,000 common shares of the Company to this director. During the year the Company paid or accrued consulting fees of \$252,113 (2008 - \$Nil) to this director, of which \$214,500 relates to the 650,000 common shares that were issued subsequent to year end.

In the event the contract is terminated by the Company or as a result of a change of control, a payment is payable to this director consisting of any monthly compensation due to the date of termination and \$400,000 of compensation.

- d) Effective October 1, 2009 the Company entered into a consulting agreement with a director of the Company to pay \$100 per hour. During the year the Company paid or accrued consulting fees of \$9,375 to this director.

In the event the contract is terminated by the Company or as a result of a change of control, a payment is payable to this director consisting of any monthly compensation due to the date of termination and 24 months of compensation, which would be based on the average fees of the preceding three months.

- e) The Company and Blue Sky share office space and costs in Mendoza, Argentina. As at December 31, 2009 included in accounts receivable is \$103,867 from Blue Sky related to the shared office space.

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.

Contractual Commitments

As of December 31, 2009, the Company had no commitments, other than the commitment with the Grosso Group discussed above in "Related Party Transactions".

Critical Accounting Estimates and Recent Accounting Pronouncements

The preparation of financial statements in conformity with Canadian GAAP 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 consolidated financial statements for the year ended December 31, 2009. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

Mineral Property Interests

Exploration expenditures are charged to earnings as they are incurred until the property reaches development stage. All direct costs related to the acquisition of resource property interests are 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.

Management periodically reviews the recoverability of the capitalized mineral properties. Management takes into consideration various information including, but not limited to, results of exploration activities conducted to date, estimated future metal prices, and reports and opinions of outside geologists, mine engineers and consultants. When it is determined that a project or property will be abandoned then the acquisition costs are written-off, or if its carrying value has been impaired, then the costs are written down to fair value.

Mineral property acquisition costs include cash costs and the fair market value of common shares, based on the trading price of the shares issued for mineral property interests, pursuant to the terms of the related property agreements. Payments relating to a property acquired under an option or joint venture agreement are made at the sole discretion of the Company, and are recorded as mineral property acquisition costs upon payment.

The Company accounts for foreign value added taxes paid as expenses when incurred. The recovery of these taxes may commence on the beginning of foreign commercial operations. Should these amounts be recovered they would be treated as a recovery of exploration expenses at that time.

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.

Recent Accounting Pronouncements

Effective January 1, 2009, new accounting standards were issued by the CICA which may impact the Company in the future as follows:

(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. On January 1, 2009, the Company adopted these changes, with no impact on its consolidated financial statements.

(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 year ended December 31, 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 year ended December 31, 2009.

(d) ***General Standard of Financial Statement Presentation***

For the year ended December 31, 2009, the Corporation adopted the amendments to CICA Handbook Section 3862, Financial Instruments – Disclosures, which expands financial instrument fair value measurement and liquidity risk management disclosures.

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.

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.

International Financial Reporting Standards (“IFRS”)

In February 2008, the CICA announced that publicly accountable enterprises will be required to transition from Canadian GAAP to IFRS for interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011. This includes a requirement to present comparative financial information in accordance with IFRS for 2010. Accordingly, our first interim consolidated financial statements will be presented in accordance with IFRS for the three months ending March 31, 2011 with 2010 comparative results.

The Company has commenced a preliminary review of the Canadian equivalents to IFRS. At this stage of the transition, a small number of areas have been identified that may have an impact on the financial statements of the Company. We expect that there may be changes with respect to foreign currency translations, share-based compensation and asset impairment. The Company has not adopted an IFRS changeover plan at December 31, 2009 however management has completed an IFRS diagnostic and analysis. We note that Canadian GAAP to IFRS may be amended prior to adoption.

Management has considered the differences between Canadian GAAP and IFRS and to date has identified that there are likely no material differences to the majority of line items appearing in the Company’s balance sheet and income statement from what it has recorded under Canadian GAAP.

The specific areas where no applicable differences in recognition and measurement have been identified between IFRS and Canadian GAAP are cash, short-term investments, amounts receivable, prepaid expenses, and accounts payable and accrued liabilities.

Certain relevant accounting differences between Canadian GAAP and IFRS and the possible impacts on the consolidated financial statements of the Company are described below:

| Financial Statement Component | IFRS | Canadian GAAP | Possible Impact |
|--|--|--|--|
| Exploration Expenditures and Development Costs | An entity shall determine a policy specifying which expenditures are recognized as exploration and evaluation assets and apply the policy consistently. In making this determination, an entity considers the degree to which the expenditure can be associated with finding specific mineral resources. Exploration Expenditures shall be recognized at cost. The Company can elect to measure exploration and evaluation assets using either cost model or the revaluation model. | Exploration costs related to mining properties may initially be capitalized if an enterprise considers that such costs have the characteristics of property, plant and equipment and that capitalization is appropriate to its circumstances. Exploration and evaluation assets are measured at cost. Canadian GAAP does not allow for the revaluation of exploration and evaluation assets other than during a business combination. | No impact. Continue with existing policy under IFRS 6. |
| Foreign Currency Translation | Defines functional currency as the currency of the primary economic environment in which the entity operates. Foreign currency translation | Does not directly define functional currency. Foreign currency translation is based on the concept of integrated and self-sustaining foreign operations. | No impact expected at this time. |

| | | | |
|----------------------------------|---|---|---|
| | methods are based on the functional currency concept. | | |
| Impairment of Non-Current Assets | <p>Assess at each reporting date whether there is any indication that an asset (other than goodwill and intangible assets with indefinite lives) may be impaired.</p> <p>Impairment loss recognition is a one-step process based on discounted cash flows. Impairment losses are recognized when the carrying value exceeds the recoverable amount, which is the higher of (a) value in use and (b) fair value less costs to sell.</p> <p>An impairment loss recognized in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.</p> | <p>A long-lived asset should be tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.</p> <p>Impairment testing is based on a two-step test. Once an impairment loss is identified on an undiscounted cash flow basis (step 1), the impairment loss is measured as the amount by which the carrying value exceeds fair value (step 2).</p> <p>An impairment loss relating to long-lived assets should not be reversed even if the fair value subsequently increases</p> | No impact expected at this time. |
| Share-Based Payments | <p>For graded-vesting features, IFRS requires each instalment to be treated as a separate share option grant, because each instalment has a different vesting period, and hence the fair value of each instalment will differ.</p> <p>Requires that forfeitures be estimated at the time of grant to eliminate distortion of remuneration expense recognized during the vesting period. The estimate should be revised if subsequent information indicates that actual forfeitures are likely to differ from previous estimates.</p> | <p>Allows the option to use the straight-line method or the attribution method to account for graded-vesting features.</p> <p>Permits companies to either estimate the forfeitures at time of grant date or record the entire expense as if all its stock option grants vest and then record forfeitures as they occur</p> | <p>No impact on employee stock-options. May impact options granted to consultants.</p> <p>May have impact on forfeitures.</p> |

Financial Instruments

The Company's financial instruments are exposed to certain risks, including currency, credit and metal price risk.

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.

The Company has not hedged its exposure to currency fluctuations. As at December 31, 2009, the Company is exposed to currency risk through the following assets and liabilities in US dollars, Peruvian pesos, Argentina pesos and Colombian pesos:

| | December 31, 2009 | | | |
|--|--------------------|--------------------------|---------------------|-------------------------|
| | US Dollar \$ | Argentina Pesos \$ | Peru Soles \$ | Colombia Pesos \$ |
| Cash | 161,476 | 680,859 | 63,572 | 39,578,295 |
| Amounts receivable and prepaids | 517,963 | 327,774 | 44,063 | 396,798 |
| Accounts payable and accrued liabilities | (32,454) | (61,288) | (18,561) | (606,500) |
| | 646,985 | 947,345 | 89,074 | 39,368,593 |
| Foreign exchange rate at December 31, 2009 | 1.0510 | 0.2713 | 0.3623 | 0.000511 |

Based on the net exposures as at December 31, 2009, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar, Argentinean peso, Peruvian sole and Colombian peso would have an impact of approximately \$99,000 on the Company's net earnings.

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 the cash, short-term investments 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 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 primarily invested in bank accounts and Government Investment Certificates (GIC's) which are cashable on demand. The Company expects that its cash on hand at December 31, 2009 provides the sufficient financial resources to carry out its operations through the 2010 financial year and also allow the Company to pursue acquisition opportunities.

Interest Risk: The Company's bank accounts earn interest income at variable rates. The fair value of its short-term investments is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

Fair Values

The carrying values of cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities approximate fair values due to their short terms to maturity or ability to readily convert to cash.

The following table outlines the Corporation's financial assets and liabilities measured at fair value by level within the fair value hierarchy described below. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

As at December 31, 2009 the Company's financial instruments measured at fair value are as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------|-----------|---------|---------|-----------|
| Assets | | | | |
| Cash | 629,995 | - | - | 629,995 |
| Short-term investments | 1,127,234 | - | - | 1,127,234 |
| Marketable securities | 39,268 | - | - | 39,268 |

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

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

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

The Corporation's cash instruments are valued using quoted market prices in active markets, and therefore are classified as Level 1.

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 years ended December 31, 2009 and 2008. The Company has financed its operations principally through the sale of its equity securities. 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.

The Company does not intend to pay dividends: The Company has not paid out any cash dividends to date and has no plans to do so in the immediate future. As a result, an investor's return on investment will be solely determined by his or her ability to sell common shares in the secondary market.

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.

Metal Price Risk: The Company's portfolio of properties has exposure to predominantly gold, silver and copper. The prices of these metals, especially gold, greatly affect the value of the Company and the potential value of its properties and investments.

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

Political Risk: Exploration is presently carried out in Argentina, Peru and Colombia. 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.

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.

Interest rate risk: Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to significant interest rate risk because of their current nature.

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.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission in which the Company is registered exempted Venture Issuer from certifying disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. Since the Company is a Venture Issuer, it is now required to file basic certificates, which it has done for the year ended December 31, 2009. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under Multilateral Instrument 52-109 as at December 31, 2009.

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.

Outstanding Share Data

The Company's authorized share capital is an unlimited number of common shares without par value. As at December 31, 2009, there were 34,901,655 outstanding common shares. As of April 23, 2010 there were 35,701,655 outstanding common shares.

The Company had stock options outstanding and exercisable at April 23, 2010 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 |
| 1,650,000 | 0.35 | October 17, 2010 |
| 100,000 | 0.36 | March 31, 2015 |
| 150,000 | 0.36 | April 22, 2010 |
| 3,173,900 | | |

The Company had warrants outstanding and exercisable at April 23, 2010 as follows:

| Number | Exercise Price (*) \$ | Expiry Date |
|-------------------|---------------------------------|--------------------|
| 5,034,000 | 0.225 | January 9 , 2011 |
| 9,014,000 | 0.36 | October 17 , 2010 |
| 5,115,000 | 0.36 | January 30 , 2011 |
| 19,163,000 | | |

** Re-priced as a result of spinout of Peruvian assets*

More information on these instruments and the terms of their conversion are set out in Note 8 to the Company's December 31, 2009 audited consolidated financial statements.