



NEWS RELEASE – July 5, 2012

Golden Arrow Intersects Silver-Zinc Mineralization in Three New Zones at Chinchillas Project

Golden Arrow Resources Corporation (TSX-V: GRG, FSE: GAC (WKN: A0B6XQ)), “Golden Arrow” or the “Company”) is pleased to announce significant silver-lead-zinc mineralization from drilling and channel sampling on new exploration targets at its Chinchillas Silver Project, in Jujuy Argentina. Six drill holes (CGA28 to CGA33) were drilled on new targets around the volcanic basin margin outside the principal targets of Silver Mantos and Socavon del Diablo. The expanded program defined three new mineralized zones, **Labor 4**, **Contact Sur** and **Chinchillas**, with highlight results intersecting **218 g/t Ag over 15 m** (CGA-32) and **34 m grading 79 g/t Ag, 0.76% Pb and 0.82% Zn, or 111 g/t AgEQ** (silver equivalent*). Summary results are included in the table below.

Table 1. Summary Chinchillas Project Results: Outside Exploration Targets.

TARGET	HOLE	From (m)	To (m)	Length (m)	Ag (g/t)	Pb (%)	Zn (%)	Ag EQ* (g/t)
Chinchillas	CGA-28	139	173	34	79	0.76	0.82	111
Chinchillas	CGA-29	67	69	2	0	0	1.63	33
		69	72	3	113	0	1.89	152
		72	100	28	0	0	1.06	22
	includes	90	98	8	34	1.07	1.12	79
		153	159	6	47	0.5	0	57
Charge N	CGA-30	no significant mineralization						
Deep-240	CGA-31	205	210	5	35	0	0.51	45
Labor 4	CGA-32	10	25	15	218	0	0	218
		31	35	4	72	0	0	72
		57	63	6	48	0	0	48
		68	70	2	38	2.16	0	82
Contact Sur	CGA-33	4	30	26	46	0.73	2.73	117

* Values below 20 g/t for Ag and 0.5% for Zn and Pb are not shown. The current results are thought to approximate true width. Silver Equivalents (AgEQ) were calculated using US\$28/oz. for silver, US\$0.85/lb. for lead and US\$0.85/lb. for zinc. Metallurgical recoveries and net smelter returns for the purpose of this calculation are assumed to be 100%.

Three New Mineralized Zones

At the historical **Chinchillas** mine workings, 300 m east of *Socavon del Diablo*, three drill holes were completed (CGA-28, -29, -30). Drill holes 28 and 29 are located 150m apart and targeted an east-west structural zone below the old workings, with a coincident chargeability geophysical anomaly. Both holes intersected large intervals of breccia with sulphide matrix and corresponding silver-lead-zinc mineralization. Between the two drill holes, a composite chip sample across an outcropping shear zone graded **257 Ag g/t, 4.19 % Pb and 0.85 % Zn, or 360 g/t AgEQ* over 4 m.**

At **Labor 4** on the western margin of the volcanic basin, 250m west of *Silver Mantos*, CGA-32 cut multiple mineralized intercepts including **15m of 218 g/t Ag** from 10 m.

At **Contact Sur**, 200 m south of *Silver Mantos*, CGA-33 intersected **26 m of 117g/t AgEQ*** from 4 m. Both **Labor 4** and **Contact Sur** targets are along the contact between the volcanic breccias, the principal mineralization host, and the basement sediments. Management believes there is good potential to connect the mineralization at *Silver Mantos* with **Labor 4** and **Contact Sur**, greatly increasing the size potential of this near-surface mineralized zone.

Drilling Progress

Golden Arrow has now completed the Phase I drill program, which included 3,224 m in 27 holes, with an average depth of 120 m. Analyses from the first 17 drill holes have now been received and verified (CGA-17 to CGA-33). The first 11 holes targeted Silver Mantos and Socavon del Diablo and were recently reported (details in GRG News Releases dated June 14th, and June 20th, 2012). The ten remaining drill holes from the Phase I program, providing additional testing of the Silver Mantos and Socavon del Diablo zones, will be reported as soon as results are received and confirmed.

A number of exploration targets remain un-tested and these will be examined in future drill programs.

Chinchillas Project

The Chinchillas project is located in the prolific Bolivian silver-zinc-tin belt which extends into northern Argentina. Golden Arrow has the option to earn a 100% interest in the Chinchillas (details in GRG News Release dated August 3rd, 2011). The Company believes that Chinchillas has the potential to host a large silver-zinc-lead deposit. Chinchillas is a Tertiary aged maar diatreme volcanic complex that has erupted through the Paleozoic basement schists. The resulting depression or basin, filled with volcanic breccias and tuffs is approximately 1.5km in diameter. Mineralization occurs within the basin, hosted in favorable volcanic tuff units, hydrothermal breccias and along faults and structural zones as well as on the margins of the basin within footwall schists and across the schist volcanic contacts. The mineralization occurs mostly as disseminations, veinlets and matrix filling. The Chinchillas project geology is most similar to the San Cristobal Mine in Bolivia where low grade Ag-Zn-Pb mineralization is mined from an open pit within a similar diatreme breccia environment. San Cristobal mine has estimated reserves (June 30, 2011) of 285 million tonnes, grading 1.41% Zn, 0.48% Pb, and 53.0 g/t Ag or 484 million ounces of silver, 4Mt zinc and 1.3 Mt lead¹.

The technical information contained in this release has been prepared by Bruce Smith, Chartered Professional MAusIMM Geologist and Golden Arrow's Exploration Manager and has been reviewed by Dr. Gerald G. Carlson, Ph.D., P.Eng., Head of Exploration for Golden Arrow, both Qualified Persons as defined in National Instrument 43-101.

Analyses of the drill core were performed by Alex Stewart Assayers, in Mendoza, Argentina, an internationally recognized assay service provider. The Company followed industry standard procedures for the work carried out on the Chinchillas Project, with a quality assurance/quality control (QA/QC) program. Blank, duplicate and international standard samples were inserted into the drill core sample sequence sent to the laboratory for analysis. Golden Arrow detected no significant QA/QC issues during review of the data.

(1) San Cristobal Mine reserves were obtained from the San Cristobal website <http://www.minerasancristobal.com>. The mine is owned and operated by Sumitomo Corporation. The reserves are believed to be reliable.

About Golden Arrow:

Golden Arrow is a Vancouver-based explorer and prospect generator focused on identifying, acquiring and advancing precious and base metal projects in Argentina with the goal of achieving a world class discovery. The Company is well positioned for growth of shareholder value with the pending sale of its 1% NSR on Yamana Gold Inc.'s Gualcamayo Gold Mine to Premier Royalty for \$17.75 million pending shareholder approval (details in GRG News Release dated May 24th, 2012), ongoing drilling at the advanced Chinchillas Silver project, an attractive portfolio of highly prospective exploration projects and a pipeline of new opportunities under review. Golden Arrow will continue to execute its strategy to leverage the Company's exploration exposure by attracting partners to fund work on its portfolio of high quality mineral projects. Golden Arrow is a member of Grosso Group, a management company specialized in resource exploration, and working in Argentina where it is highly regarded and trusted since 1993.

ON BEHALF OF THE BOARD

“Joseph Grosso”

Mr. Joseph Grosso, President & CEO

For further information please contact:

Corporate Communications

Tel: 1-604-687-1828

Toll-Free: 1-800-901-0058

Email: info@goldenarrowresources.com

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