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NEWS RELEASE – June 20, 2012

Golden Arrow Intersects 77m of 155 g/t Silver Equivalent at Chinchillas Project.

Golden Arrow Resources Corporation (TSX-V: GRG, FSE: GAC (WKN: A0B6XQ), “Golden Arrow” or the “Company”) is pleased to announce the second set of results from the Phase 1 drill program at its 100% owned Chinchillas Silver Project, in Jujuy, Argentina. In this release, Golden Arrow reports results from the Socavon del Diablo target where the highlight hole CGA-21 averaged 77 meters(m) grading 155 grams per tonne (g/t) silver equivalent* (AgEQ) from 2 m to 79 m, including 13 m grading 275 g/t AgEQ*.

Drilling Progress

Golden Arrow has now completed 2600 m in 21 holes of a planned 3000 m drill program. Analyses of the first 11 drill holes have been received and verified (CGA-17 to CGA-27). All holes have intersected significant silver-zinc-lead mineralization. The first four holes targeted the Silver Mantos area and were recently reported (see press release June 14, 2012). The following seven holes were drilled in the Socavon del Diablo target (CGA-21 to CGA-27) and are the subject of this press release. Highlights from the Socavon del Diablo drilling are shown below. More complete results are on the next page.

Socavon del Diablo Drill Highlights

HOLE	From (m)	To (m)	Length (m)	Ag (g/t)	Pb (%)	Zn (%)	Ag EQ* (g/t)
CGA-21	2	79	77	64	1.36	3.09	155
including	2	15	13	130	2.67	4.43	275
CGA-22	45	57	12	75	1.15	3.98	180
CGA-24	25	32	7	42	1.14	4.22	152
CGA-26	66	72	6	86	1.73	4.09	205
CGA-27	75	95	20	100	2.27	2.36	195
includes	81	87	6	199	4.86	3.57	371

Socavon del Diablo

Historical drilling at Socavon del Diablo by previous operators defined a mineralized zone around an area of previous surface excavations. Golden Arrow's drilling has confirmed the continuity of this mineralization and expanded the target to an area approximately 250 m by 150 m. Mineralization includes manto-style within favorable shallow dipping volcanic tuff horizons and crosscutting feeder structures and hydrothermal breccias. All seven drill holes intersected significant near surface mineralization, with thicknesses between 3 m and 77 m. Within the zone there are typically four mineralized layers, each averaging approximately 12 m

thick. Grades for silver and zinc are relatively consistent with the average of the mineralized intercepts approximately 58 g/t silver and 2% zinc. Lead is somewhat less consistent but contributes significant value. High grade intervals occur, with individual one meter samples grading up to 485 g/t Ag, 11.1% Pb and 8.5% Zn. The Socavon del Diablo target is open to expansion and future drilling will concentrate on extending this favorable area and targeting feeder zones.

Table 1. Initial Results*: Socavon del Diablo Target, Chinchillas Project.

HOLE	From (m)	To (m)	Length (m)	Ag (g/t)	Pb (%)	Zn (%)	Ag EQ* (g/t)
CGA-21	2	79	77	64	1.36	3.09	155
including	2	15	13	130	2.67	4.43	275
and	97	102	5	33	0.75	1.21	73
CGA-22	0	6	6	27	0.52	-	38
and	6	22	16	15	0.66	1.61	61
and	45	57	12	75	1.15	3.98	180
and	60	65	5	21	-	1.30	48
CGA-23	0	9	9	78	-	-	78
and	12	15	3	28	-	1.37	56
and	18	29	11	47	0.86	1.10	87
and	44	53	9	40	0.78	1.42	85
CGA-24	5	10	5	30	-	-	30
and	25	32	7	42	1.14	4.22	152
and	164	172	8	38	-	1.61	71
and	175	178	3	39	0.71	1.42	83
CGA-25	0	36	36	64	0.60	0.97	96
and	43	51	8	30	-	1.24	55
CGA-26	8	42	34	-	-	1.71	35
and	55	63	8	-	-	2.27	46
and	66	72	6	86	1.73	4.09	205
and	76	94	18	-	-	1.00	20
CGA-27	8	23	15	-	-	0.85	17
and	23	38	15	34	0.83	2.18	96
and	38	48	10	-	-	0.94	19
and	53	67	14	-	-	0.91	19
and	75	95	20	100	2.27	2.36	195
includes	81	87	6	199	4.86	3.57	371

* 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%.

Future Drilling.

At the completion of the Socavon del Diablo drilling, the drill rig was moved to test exploratory targets around the margins of the Chinchillas basin. Six diamond drill holes have been completed on six new targets, including Charge N, Charge S, Chinchillas, Deep 240, South Contact and Labour 4. Results are pending. The rig is currently drilling additional infill and expansion holes at Silver Mantos and is planned to return and drill further holes at Socavon del Diablo before the current Phase 1 drill program ends.

See map <http://www.goldenarrowresources.com/i/pdf/CHINCHILLAS-Drilling-Update-2-Jun2012.pdf>.

Chinchillas Project

The Chinchillas project is located in the prolific Bolivian silver–zinc-tin belt which extends into northern Argentina. The Company believes that Chinchillas has the potential to host a large silver-zinc-lead deposit. Chinchillas is a Tertiary aged maar diatreme volcanic center that has intruded the Paleozoic basement schists. The resulting depression, filled with volcanic breccias and tuffs is approximately 1.5 km 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 (Mt), 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”

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