



Mogote Copper-Gold-Silver Project

Introduction:

Golden Arrow's 100% owned 8,300ha Mogote copper-gold-silver porphyry/epithermal project is centrally-located in the prolific Vicuna District of northern San Juan Province which includes NGEx Resources Inc's Josemaria copper-gold deposit in Argentina and Goldcorp Inc./New Gold's El Morro gold-copper porphyry deposit in Chile. Mogote covers multiple large porphyry/epithermal targets and hosts classic Andean-type porphyry copper-gold mineralization and related alteration associated with a Miocene diorite porphyry intrusive system. It is located in close proximity with, and is likely an extension of, the world-class Maricunga gold-copper porphyry belt. Mogote also hosts high and low sulfidation epithermal alteration and mineralization that is potentially ore grade and near surface.

Most of the work to date on the property has focused on the Filo Este and Filo Central targets on the northern portion of the property where trenching and drilling intersected wide intervals of copper-gold-silver mineralization (i.e. 489.3m averaging 0.23 g/t gold, 2.6 g/t silver and 0.17% copper in MOG-04-1A*). Three additional targets in the central-southern portion of the property, including the large Zona Colorida anomaly, have seen only limited surface sampling. Golden Arrow recently applied for additional claims totaling 3,150ha on the Chilean side of the international border adjacent to Mogote to cover potential extensions to mineralized zones.

World-class porphyry and epithermal deposits which occur within these mineral districts include: El Indio-Tambo (10 million ounces gold production, reserves and resources; Jannes et. al., 1999), Pascua-Lama-Veladero (12.2 Moz Proven and Probable gold equivalent reserves- Barrick Gold Corporation website), Veladero, Marte/Lobo (5.6 million ounces of gold at an average grade of 1.22 grams of gold per tonne; Kinross Gold Corporation website), and Refugio (9.3 million ounces gold reserves and resources; Kinross Gold Corporation website).

Location and access:

Mogote is located 350 kilometres northwest of San Juan City, San Juan province, Argentina and adjoins the international border between Chile and Argentina. Access to the property is possible from either

Chile or Argentina, but because special arrangements need to be made to cross the international border where there are no established crossing points, practical access is currently from the Argentina side. The subject property is located in moderate to steep mountainous terrain on the upper eastern slopes of the Andean Cordillera, with elevations ranging from 4,300 to 5,500 metres above sea level.

Regional Geology:

The Mogote Property lies within a regional belt of hydrothermally altered rocks referred to as the 'Faja de Potro'. Alteration is related to high-level intrusions and subvolcanic hydrothermal activity, with potential for porphyry copper-gold, as well as precious metal epithermal deposits. The region is underlain by extensive volcanic units and related intrusives of the Middle Miocene and older, making the area particularly attractive for mineral exploration. Regional mapping indicates that the Mogote Property is underlain by Oligocene – Early to Middle Miocene age volcanic rocks of the Penas Negras and Dona Ana Formations.

Property Geology and Mineralization:

The property is underlain by basement rocks of the Permian age Choiyoi Group, which are faulted against and overlain by Tertiary age volcanic rocks. Alteration at Mogote is characterized by early porphyry style alteration with a later epithermal alteration overprint. Age dating of both the porphyry and epithermal style alteration would be required to determine the possible genetic relationships between both styles of alteration and mineralization. There are three distinct porphyry centers at Mogote, related to a ~15Ma diorite porphyry system; Filo Este, Filo Central, and Zona Colorida.

The dominant alteration associated with mineralization is a potassic assemblage of biotite, magnetite, quartz, and potassium feldspar. Mineralization is also found associated with propylitic alteration consisting of chlorite, quartz, magnetite, and calcite. This alteration is hosted in microdiorite, fine-grained diorite, and Tilito breccias, and the grade of hypogene mineralization is largely a function of quartz vein density. Quartz veins consist of 2-10 millimetre wide A-type veins that are continuous over several meters of length and are generally stockwork in nature. A-type quartz veins are 1-10 millimeter veins of magmatic/hydrothermal quartz with disseminated magnetite, biotite, chalcopyrite, pyrite, and bornite. They generally form stockworks, but locally are sheeted and range in density from one per metre to four per centimetre. Hypogene sulfide mineralization consists largely of chalcopyrite, bornite, and pyrite with local hypogene alteration of copper sulfides to digenite, chalcocite, and covellite. Surface oxidation of chalcopyrite, bornite, and pyrite has resulted in various sulfates, carbonates, and iron oxides that include antlerite, brochantite, malachite, azurite, goethite, hematite, and jarosite. Overprinting the potassic alteration at both Filo Este and Filo Central and throughout the Mogote Property is weak to moderate anhydrite-carbonate veins that are commonly oxidized to gypsum within the zone of surface oxidation.

Filo Este:

The Filo Este porphyry center is an exposed potassic and propylitic altered core with moderate copper-gold-silver mineralization hosted in 15 Ma microdiorite and diorite and 23.1 Ma Tilito breccias. The area of mineralization has been defined by talus and rock sampling, trenching, ground magnetics, time domain IP, and 1,475 metres of core drilling. Surface geochemistry defines a +500 ppm copper and +200 ppb gold anomaly over 1700 metres of strike length in an east west direction and 700 metres width north to south and extends across the Argentine border into Chile. Samples were collected on roughly a 50 metre spacing.

Filo Central:

The Filo Central anomaly has at least two exposed areas of potassic alteration hosted in microdiorite, fine-grained diorite phases, and Tilito Formation breccia. Alteration throughout the anomalous area consists of mixed potassic and propylitic, and locally moderate to strong sericite-pyrite. The sericite-pyrite alteration has strong structural control and is at times epithermal in nature with weakly developed vuggy silica and alunite. The +500 ppm copper-in-talus-fines extends for over 3.5 kilometres in a northwest direction along Filo Central ridge and is up to 900 metres wide. This anomalous zone also contains high levels of gold (up to 4.5 ppm), molybdenum (up to 260 ppm), silver (up to 26.7 ppm), and locally arsenic (up to 468 ppm). Sampling coverage to date is roughly on 100 metre centres.

Zona Colorida:

The Zona Colorida porphyry center is located south of the Macho Muerto fault and exposes the upper advanced argillic and quartz-sericite-pyrite levels of a possible diorite porphyry mineral system. Alteration is hosted in Tilito formation and medium grained diorite porphyry. Limited talus fines and rock chip sampling and limited geologic mapping have defined the Zona Colorida as a porphyry center that has undergone strong sericite-quartz-pyrite alteration. Sampling and to date has yet to demonstrate near surface potential for either porphyry copper-gold or epithermal gold-silver mineralization, however the zone has been interpreted to represent the steam-heated cap to a buried epithermal system.

Exploration History:

IMA Exploration Inc. (now Kobex Minerals Inc.) carried out several surface exploration programs on the Mogote property dating back to early 2000. After the property was optioned by Golden Arrow a detailed program of surface mapping and sampling and geophysics, and trenching was carried out in late 2003. This work confirmed the presence of a major mineralized porphyry beneath the Filo Este zone of potassic and propylitic alteration. Ground magnetics suggest a shallow porphyry system underlying Filo Este ridge with strong magnetite alteration that covers an area of at least 1.5 kilometres by 800 meters. A 600 metre trench was excavated over the Filo Este zone of potassic alteration and encountered 510 meters of continuous mineralization that averaged 0.196% copper and 0.331 ppm gold.

March 2004 Drilling - Filo Este

In March 2004, the Company carried out a 1,475 metre, five hole diamond drill program and conducted further geological mapping and talus fine sampling on the northern part of the Mogote Property. The drilling tested a portion of the Filo Este porphyry target to a depth of up to 495 metres over a strike length of 860 metres and a width of approximately 250 metres. Hole MOG-04-1 had to be abandoned at 71.6 metres and hole MOG-04-1A was drilled from the same location to target depth. Highlights of the drill results are provided in table form below.

					ppm	ppm	%
Drillhole	Total Depth	From	To	Interval	Gold	Silver	Copper
	(metres)	(metres)	(metres)	(metres)	(LWA)	(LWA)	(LWA)
MOG-04-1	71.6	2.0	70.0	68.0	0.43	13.9	0.244
MOG-04-1A	495.3	6.0	495.3	489.3	0.23	2.6	0.170
Including		258.0	424.0	166.0	0.19	2.2	0.243
And		308.0	396.0	88.0	0.20	1.9	0.290
MOG-04-2	315.4	2.0	315.4	313.4	0.16	1.9	0.171

					ppm	ppm	%
Drillhole	Total Depth	From	To	Interval	Gold	Silver	Copper
	(metres)	(metres)	(metres)	(metres)	(LWA)	(LWA)	(LWA)
Including		196.0	315.4	119.4	0.21	2.8	0.248
MOG-04-3	300.0	6.0	300.0	294.0	0.11	1.3	0.078
MOG-04-4	292.9	2.0	292.9	290.9	0.23	3.1	0.104

In addition to the drill program, regional surface work was carried out on Filo Central and other targets in March 2004 to advance them to the drill-ready stage. This work comprised detailed mapping, additional step-out talus sampling and road/trench construction. Talus fine sampling on the Filo Central target, defined by a strong magnetic signature coextensive with highly anomalous surface geochemistry, has now extended the surface copper-gold geochemical anomaly of greater than 0.1 ppm Au and 500 ppm Cu to 4,000 x 800 metres. Within this anomaly is a 600 x 400 metre area of greater than 0.5 ppm.

January-February 2005 Drilling – Filo Este and Filo Central

Between mid-January and early February 2005 the Company completed a Phase II 2,577 metre 9-hole RC drill program on the Mogote Property. Of the nine holes, four were found to contain significant gold-copper mineralization hosted in porphyry or in metamorphosed volcanic sediments at the margin of porphyry.

All the Phase II drill holes were sited to test strong areas of potassic-altered intrusive porphyries within the Filo Este and Filo Central anomalies, defined by strong magnetics, highly anomalous copper and gold geochemistry and surface alteration. Five holes were completed on Filo Este over an east-west strike extent of 1.4 kilometres spanning a north-south distance of 720 metres. The remaining four holes were spaced out over 1.6 kilometres of strike length along Filo Central. All drill holes were located on the Argentina side of the international border.

The significant intercepts include:

						ppm	ppm	%
Drillhole	Zone	Total Depth	From	To	Interval	Gold	Silver	Copper
		(metres)	(metres)	(metres)	(metres)	(LWA)	(LWA)	(LWA)
MOG-6	Este	250	0	250	250	0.22		0.083
including			176	246	70	0.36	3.0	0.158
MOG-7	Este	287	0	287	287	0.25	3.0	0.107
MOG-8	Este	300	4	142	138	0.47	2.0	0.093
MOG-12	Este	300	214	276	62	0.30	1.1	0.140

All significant intercepts were from holes on Filo Este. Drill holes MOG-7, 8, and 12 are all located in the northwest corner of the property and in the northwestern portion of the Filo Central anomaly. These holes were all hosted in, or spatially related to, a newly mapped occurrence of fine-grained intrusive porphyry that is interpreted as an early porphyry phase that typically alters to potassic or intermediate argillic assemblages.

Copper and gold mineralization in the drill holes was related to potassic quartz-biotite alteration and directly related to early vein density and local silicification. Vein hosted and disseminated sulfides include chalcopyrite, pyrite, and minor bornite.

The Phase I and II drill programs was carried out under the supervision of project geologist Steven K. Jones, M.Sc., C.P.G., a Qualified Person under NI-43-101 guidelines. Assays for the drilling program were performed by Alex Stewart Labs, Mendoza, Argentina, an internationally recognized assay service provider.

Recommendations:

Further drilling is required on the Filo Este and Central targets to vector in on higher-grade portions of the large copper-gold mineralized systems present in both locations. As well, initial drill testing of the large Zona Colorada colour anomaly, which may represent a steam-heated cap zone to a mineralized epithermal system, is warranted. The southern portion of this large property has only been explored in a cursory manner and therefore a focused surface exploration program. The property has recently been optioned by Vale S.A. who will be carrying out an exploration program with details to be announced soon.

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