

Arrow Expands Bulk Commodity Presence with Agreement to Acquire Large Bauxite Project in Guinea

Highlights

- Arrow expands its bulk commodity presence with agreement to acquire Niagara Bauxite Project located in Guinea, the world's largest exporter of high-grade low-impurity bauxite
- Niagara Bauxite Project is an advanced asset with a significant exploration history
- Simandou railway, due for commissioning in 2025, is located only 100km from the project
- Niagara Bauxite Project, combined with Arrow's Simandou North Iron Project, are projects with significant scale potential and operating synergies
- Arrow's future work program will focus resource drilling, economic studies, permitting and development pathways
- The agreement is structured as an option agreement, with an option fee of \$400,000 payable in cash and shares, with \$2,000,000 in cash or shares payable upon option exercise
- Provides Arrow and its shareholders with the opportunity to rapidly progress a project at a time when bauxite prices and analysts have noted a strong outlook

Arrow Minerals Limited (ASX: AMD) (**Arrow** or the **Company**) is pleased to announce it has entered into a Share Purchase Option Agreement (**Agreement**) to acquire the Niagara Bauxite Project, located in Guinea (**Niagara Bauxite Project** or the **Project**). See Appendix 1 for a summary of the Agreement.

Arrow Managing Director David Flanagan said: "We are delighted to significantly expand our bulk commodity exposure, leveraging our rapidly growing presence, strong relationships and reputation in country. Past exploration on this project has identified 6 high quality bauxite targets for resource drilling. This agreement gives the Company up to 12 months to test and evaluate the project before completing the acquisition. On visiting the site and reviewing the prospects, and in light of access to the multi-user railway due to be commissioned from end of 2025, coupled with the strong prices and outlook for bauxite, it presents a highly compelling and potential value transformational opportunity for the Company."

"As indicated by historical technical studies on the Niagara Bauxite Project, there is substantial potential based on historic foreign estimates indicating excellent potential for direct shipping grade mineralisation."

"Arrow, with the assistance of its technical advisors have reviewed a compilation of historic work completed on the Niagara Bauxite Project tenure as part of the significant bauxite prospectivity works led by Dr V.I. Mamedov, and summarised in the 2010 two volume publication "Geologie de la Republique de Guinée"¹. As the source drilling and chemical analysis information used in preparation of these foreign estimates is not currently available to the Company, the Company is unable to verify and validate these foreign estimates at this time."

"The Arrow team is dedicated to growing the Company, and has a strong track record of delivering logistics supply chains, developing new mines, exporting bulk commodities and engaging productively with the community. This asset is strategically located in our back yard and compliments what we are doing at the Simandou North Iron Project," Mr Flanagan added.

¹ Mamedov V.I., Bouféév Y.V., Nikitine Y.A., 2010. GEOLOGIE DE LA REPUBLIQUE DE GUINEE (Volume I), & BANQUE DE DONNEES SUR LES GISEMENTS ET INDICES DES MINÉRAUX UTILES (Volume II). REPUBLIQUE DE GUINEE MINISTERE DES MINES ET DE LA GEOLOGIE, GEOPROSPECTS Ltd, UNIVERSITE D'ETAT DE MOSCOU Lomonossov M. (Faculté géologique). Volume 2. pp. 44, 51-52.

Background on Niagara Bauxite Project

The Niagara Bauxite Project is located approximately 100km north of the Simandou multi-user railway, which extends roughly 285 km to the Morebaya port (Figure 1). The project falls within the three prefectures of Mamou, Dalaba and Tougué, and includes bauxite plateaux from the studied and documented Dabola and Tougué bauxite regions shown in Figure 1.

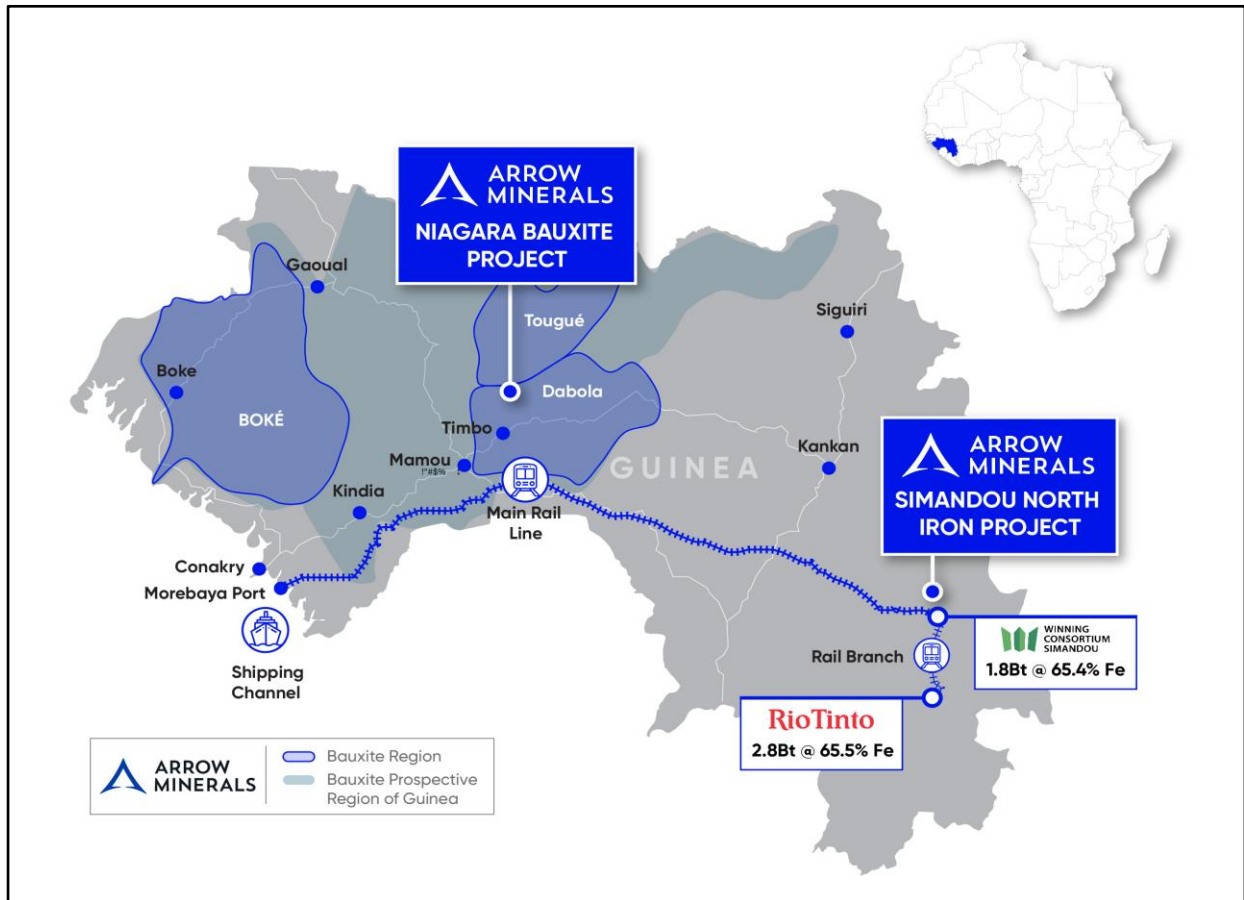


Figure 1. Map of Guinea showing Niagara Bauxite Project location, selected Bauxite regions, and rail & port infrastructure corridor.

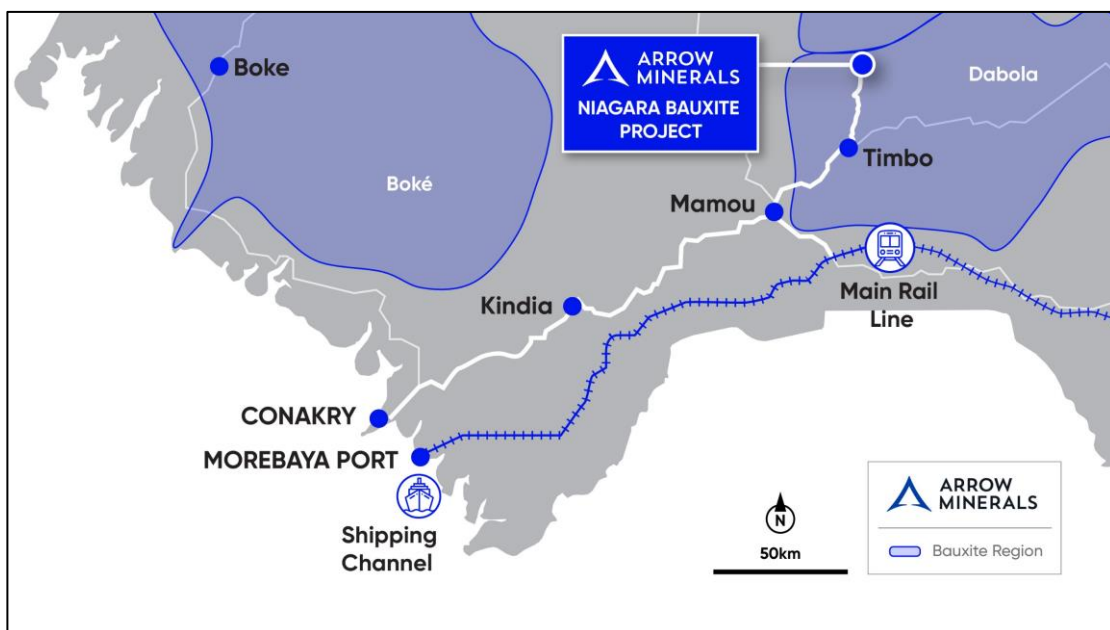


Figure 2. Map showing proximity of Niagara Bauxite Project to rail and port with selected Bauxite regions

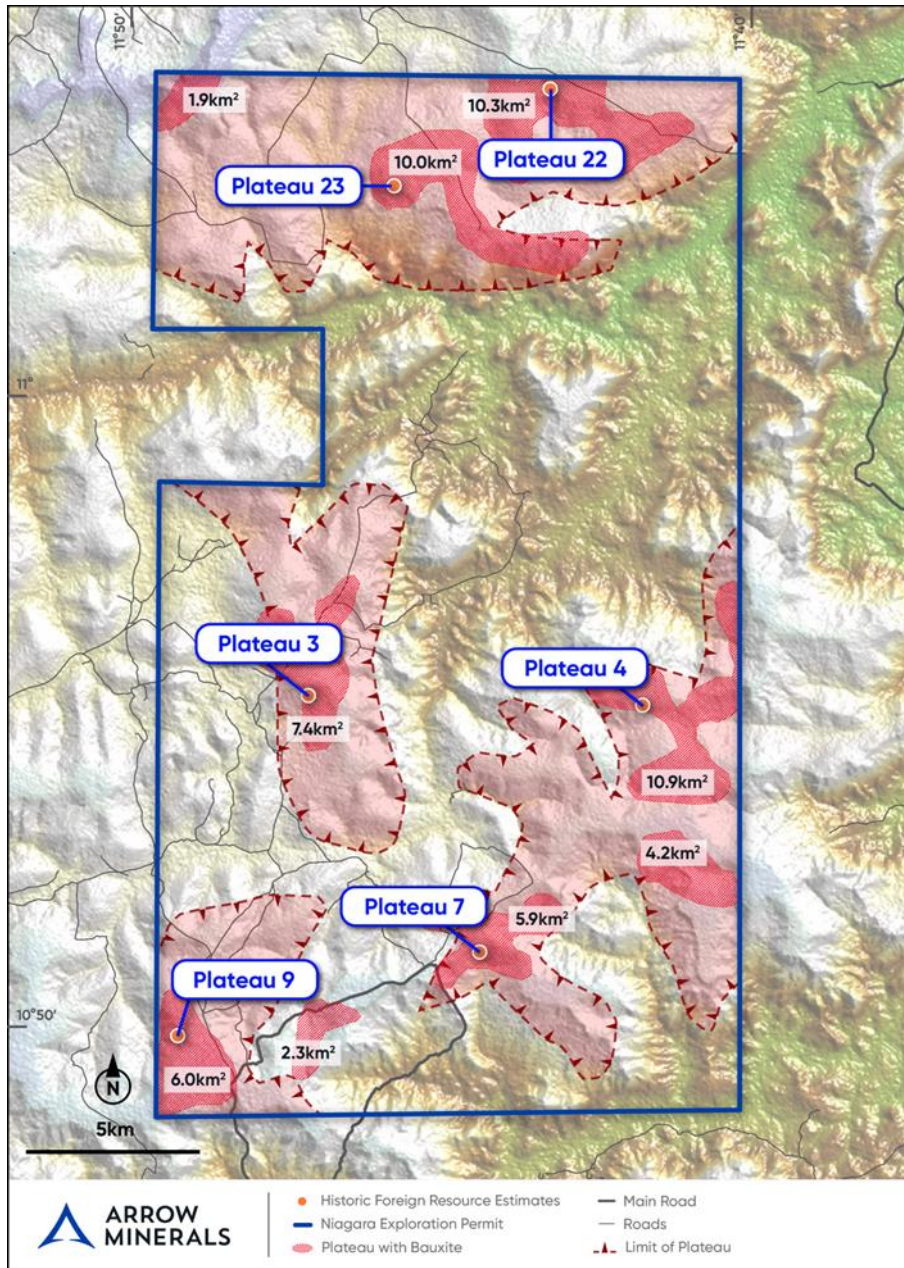


Figure 3. Map showing Niagara Bauxite Project tenement map with priority exploration targets and areas mapped as prospective for bauxite mineralisation

Foreign Estimates on the Niagara Bauxite Project

A compilation of historic work was completed on the Niagara Bauxite Project tenure as part of the significant bauxite prospectivity works led by Dr V.I. Mamedov, and summarised in the 2010 two volume publication “Geologie de la Republique de Guinée”².

The Company’s independent consultants have advised that these foreign estimates are assumed to be aligned with the Russian GKZ system, however no details have been found to date to verify the basis for these estimates.

As the source drilling and chemical analysis information used in preparation of these foreign estimates is not currently available to the Company, the Company is unable to verify and validate these foreign estimates at this time.

² Mamedov V.I., Boufév Y.V., Nikitine Y.A., 2010. GEOLOGIE DE LA REPUBLIQUE DE GUINEE (Volume I), & BANQUE DE DONNEES SUR LES GISEMENTS ET INDICES DES MINÉRAUX UTILES (Volume II). REPUBLIQUE DE GUINEE MINISTERE DES MINES ET DE LA GEOLOGIE, GEOPROSPECTS Ltd, UNIVERSITE D’ETAT DE MOSCOU Lomonossov M. (Faculté géologique). Volume 2. pp. 44, 51-52.

The Company's independent consultants have also advised that these estimates should be treated as historic foreign estimates, and with caution, until a verification program has been conducted which supports (or not) the summary tonnages and grades reported therein. These foreign estimates should not be considered equivalent to an estimate that follow contemporary best practices and are reported in line with a modern international reporting code that is a member of the Committee for Mineral Reserves International Reporting Standards ("CRIRSCO") or the JORC Code.

Next Steps

As at the date of this release the Company plans to:

- Endeavor to locate and acquire the source information and documentation that support the historic foreign estimates given in Mamedov et al (2010).
- Evaluate the methods and analytical techniques used to inform the historic foreign estimates.
- Transcribe and digitize all historic information for use in validating the historic foreign estimates.
- Validate historic drill and assay data by completing an expedited drill program during 2024.
- Conduct further exploration drilling as required to inform the estimation of Mineral Resources in accordance with the JORC Code.
- Conduct economic studies and permitting and development pathways.

Key Risk Factors

It should be noted that the usual risks associated with companies undertaking exploration and development activities of projects in the bauxite sector will remain if the Option is exercised. Additional risk factors specific to transaction and the Niagara Bauxite Project have also been identified, including, but not limited to the following:

- The Niagara Bauxite Project exploration permits are currently subject to renewal applications. There is no assurance that such renewals and approvals will be granted or that such renewals, rights and title interests will not be revoked or significantly altered to the detriment of the Company.
- The exercise of the Option to indirectly acquire the Guinean entity which is the 100% registered titleholder of the Niagara Bauxite Project exploration permit is subject to ministerial approval for the change in indirect control of that entity. Such approvals remain at the discretion of the Minister and Guinean mining administration. There is no assurance that such approvals will be granted or that such renewals, rights and title interests will not be revoked or significantly altered to the detriment of the Company.
- There is currently insufficient exploration data available to the Company to estimate Mineral Resources and it is uncertain if further exploration will result in the estimation of a Mineral Resource at the Niagara Bauxite Project.

Exploration Permit Renewal

The Niagara Bauxite Project exploration permit was granted for initial 3-year term, renewable twice for 2-year periods. The renewal process has commenced for the first 2-year period, with one further 2-year renewal available. The initial term is generally extended without challenge, pending review of such renewal application provided that the permit holder has complied to all relevant laws, and regulations, and has fulfilled any specific requirements or obligations associated with the permit. Renewal of the permit remains at the discretion of the Guinean mining administration.

As part of the Niagara Bauxite Project renewal application, per the Guinean Mining Code, the Niagara Bauxite Project exploration permit area will be reduced in surface area by 50%. The area proposed for relinquishment is to the satisfaction of the Company.

Contingent payments

Subject to certain milestones, Arrow may be required to pay the Vendor (defined below) certain contingent payments:

- A\$2,000,000 on the announcement of a JORC Mineral Resource estimate of at least 150Mt of bauxite at an average grade of at least 42% Al_2O_3 from the Project (**First Milestone**); and
- A further A\$2,000,000 on the announcement of a JORC Mineral Resource estimate of at least 300Mt of bauxite at an average grade of at least 42% Al_2O_3 from the Project (**Second Milestone**).
- In addition, on exercise of the Option, Arrow will grant the Vendor a 1% gross sales royalty.

Forward Looking Statements

This announcement contains “forward-looking statements” within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. These forward-looking statements are based upon a number of estimates, assumptions and expectations that, while considered to be reasonable by the Company, are inherently subject to significant uncertainties and contingencies, involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and any of its officers, employees, agents or associates.

Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Exploration potential is conceptual in nature, to date there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Readers are cautioned not to place undue reliance on forward-looking statements and the Company assumes no obligation to update such information made in this announcement, to reflect the circumstances or events after the date of this announcement.

About Arrow Minerals

Arrow Minerals Limited (ASX: AMD) (**Arrow** or the **Company**) is actively exploring the Simandou North Iron Project (SNIP) in Guinea, West Africa with the intention of discovering and developing a direct shipping grade iron mining operation as soon as possible. The Company intends to take full advantage of the multi-user rail infrastructure currently being developed for the benefit of the Winning Consortium Simandou and the Rio Tinto SimFer JV, which is due for commissioning from late 2025.

The SNIP is host to approximately 40 kilometres interpreted strike of the Simandou iron formation which is the important host rock of the combined Simandou iron ore project on adjoining tenements to the south. At 4.6 billion tonnes grading 65% Fe, Simandou represents the world’s largest known high-grade iron ore deposit. With total planned expenditure of US\$26Bn the combined Simandou project is arguably the world’s largest mine development.

Arrow Minerals are actively exploring to discover substantial enriched iron mineralisation to sustain an accelerated path to production and exports. Since re-commencing fieldwork in early 2024, the Company is rapidly testing targets as part of a regional scale programme of drilling.

Announcement authorised for release by the Managing Director of Arrow.

For further information visit www.arrowminerals.com.au or contact: info@arrowminerals.com.au

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APPENDIX 1 – SUMMARY OF AGREEMENT

1	Background	<p>Arrow has entered into an agreement with G Conakry Bauxite Pty Ltd ACN 635 160 995 (GCB) and Kabunga Holdings Pty Ltd ACN 166 309 039 (Vendor) to be granted an option to acquire 100% of the shares in GCB (Sale Shares) (Agreement).</p> <p>GCB is the sole shareholder of KC Bauxite SARLU (KCB), a company registered in Guinea, West Africa, which holds 100% of the reconnaissance permit (permis de recherche), numbered 22815 for the bauxite deposits (Permit) comprising the Niagara Bauxite Project located in Guinea, West Africa (Niagara Bauxite Project or the Project).</p>
2	Option Period	<p>Arrow is granted a 12-month option to acquire the Sale Shares (Option) upon payment of the Option Fee (defined below).</p>
3	Option Fee	<p>The Option fee comprises:</p> <ul style="list-style-type: none"> ▪ A\$200,000 in cash; and ▪ 66,666,667 fully paid ordinary shares in the Company (Shares), with 50% of such Shares subject to a voluntary escrow period of six (6) months and the remaining 50% subject to a twelve (12) month voluntary escrow period, (together, the Option Fee). <p>The Option Fee is payable to the Vendor following the Permit being renewed for a period of not less than two (2) years if the renewal of the Permit is satisfied within 90 days of executing the Agreement, or at Arrow's election if the renewal of the Permit is not satisfied within those 90 days.</p>
4	Exercise of Option and Consideration	<p>At any time during the 12-month Option period, Arrow may elect to exercise the Option to purchase the Sale Shares. Following the exercise of the Option, the following consideration is payable to the Vendor at completion):</p> <ul style="list-style-type: none"> ▪ A\$2,000,000 in cash, which Arrow may elect to satisfy through the issue of Shares (Share Transfer Consideration). The Shares will have an issue price of A\$0.003 per Share and the maximum number of Shares that could be issued in satisfaction of the Share Transfer Consideration is 666,666,667 Shares. If at least A\$500,000 cash is payable as Share Transfer Consideration, the Vendor can elect to receive up to 166,666,667 Shares. Any Shares issued in satisfaction of any part of the Share Transfer Consideration will be subject to: <ul style="list-style-type: none"> • Arrow obtaining shareholder approval. If shareholder approval is not obtained, the portion of the Share Transfer Consideration will be payable in cash within five (5) business days of the shareholder meeting; and • the voluntary escrow arrangements, with 50% of such Shares subject to a six (6) month voluntary escrow period and the remaining 50% subject to a twelve (12) month voluntary escrow period; and ▪ the grant of a 1% gross sales royalty on bauxite produced from the Permit. <p>Completion of the transfer of the Sale Shares will occur following the approval from the Guinean Minister of Mines for the transfer and any shareholder approval required for the issue of shares.</p>
5	Expiry and Withdrawal Rights	<p>If the Option is not exercised within the Option Period, the Option will expire and the Agreement will terminate.</p> <p>Arrow may also withdraw from the Agreement at any time prior to exercising the Option and the Agreement will terminate.</p>

6	Minimum Commitment	Within the 24-month period commencing on the exercise of the Option, Arrow will be required to spend a minimum of A\$2,500,000 on exploration activities at the Project. Any funds unspent at the end of that period will be payable to the Vendor in cash.
7	Milestone Payments	<p>Arrow has agreed to pay the Vendor up to A\$4,000,000 (in two equal payments) upon the satisfaction of the following:</p> <ul style="list-style-type: none"> ▪ A\$2,000,000 in cash payable upon Arrow announcing a JORC Mineral Resource estimate of at least 150Mt of bauxite at an average grade of at least 42% Al₂O₃ from the Project (First Milestone Payment); and ▪ A\$2,000,000 in cash payable upon Arrow announcing a JORC Mineral Resource estimate of at least 300Mt of bauxite at an average grade of at least 42% Al₂O₃ from the Project (Second Milestone Payment), <p>(together, the Milestone Payments).</p> <p>Arrow may elect to satisfy any part of the relevant Milestone Payments through the issue of Shares. If at least A\$500,000 cash is payable as the relevant Milestone Payments, the Vendor can elect to receive up to A\$500,000 worth of Shares. Any Shares issued in satisfaction of the relevant Milestone Payments will be:</p> <ul style="list-style-type: none"> ▪ based on the volume weighted average price (VWAP) over the five (5) trading days immediately preceding the date that Arrow exercises the Option; ▪ subject to Arrow obtaining shareholder approval (noting that if shareholder approval is not obtained, the portion of the relevant Milestone Payment will be payable in cash within five (5) business days of the shareholder meeting); and ▪ subject to voluntary escrow arrangements, with 50% of such Shares subject to a six (6) month voluntary escrow period and the remaining 50% subject to a twelve (12) month voluntary escrow period.
8	Pre-completion obligations	<p>The Agreement contains usual pre-completion obligations on the parties, including:</p> <ul style="list-style-type: none"> ▪ the Vendor, GCB and KCB maintaining the Permit and all renewal and/or extension requests in full force and good standing; and ▪ Arrow is granted an unfettered and exclusive licence to enter and conduct exploration activities at the Project following the renewal of the Permit.
9	Warranties and indemnities	Each party to the Agreement has provided warranties and indemnities considered customary for an agreement of this nature.
10	Termination	<p>Arrow may terminate the Agreement at any time if: (i) the Vendor or GCB is in breach of a material obligation under the Agreement and the breach is not remedied or capable of being remedied within 7 business days of receipt of notice; (ii) by exercising its withdrawal rights; or (iii) if a party has not complied with its obligations at completion, unless Arrow waives the obligation (except in the case of Arrow's obligations at completion).</p> <p>The Vendor may terminate the Agreement prior to completion if: (i) Arrow is in breach of a material obligation under the Agreement and the breach is not remedied or capable of being remedied within 7 business days of receipt of notice.</p>