

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

### DECEMBER QUARTER HIGHLIGHTS

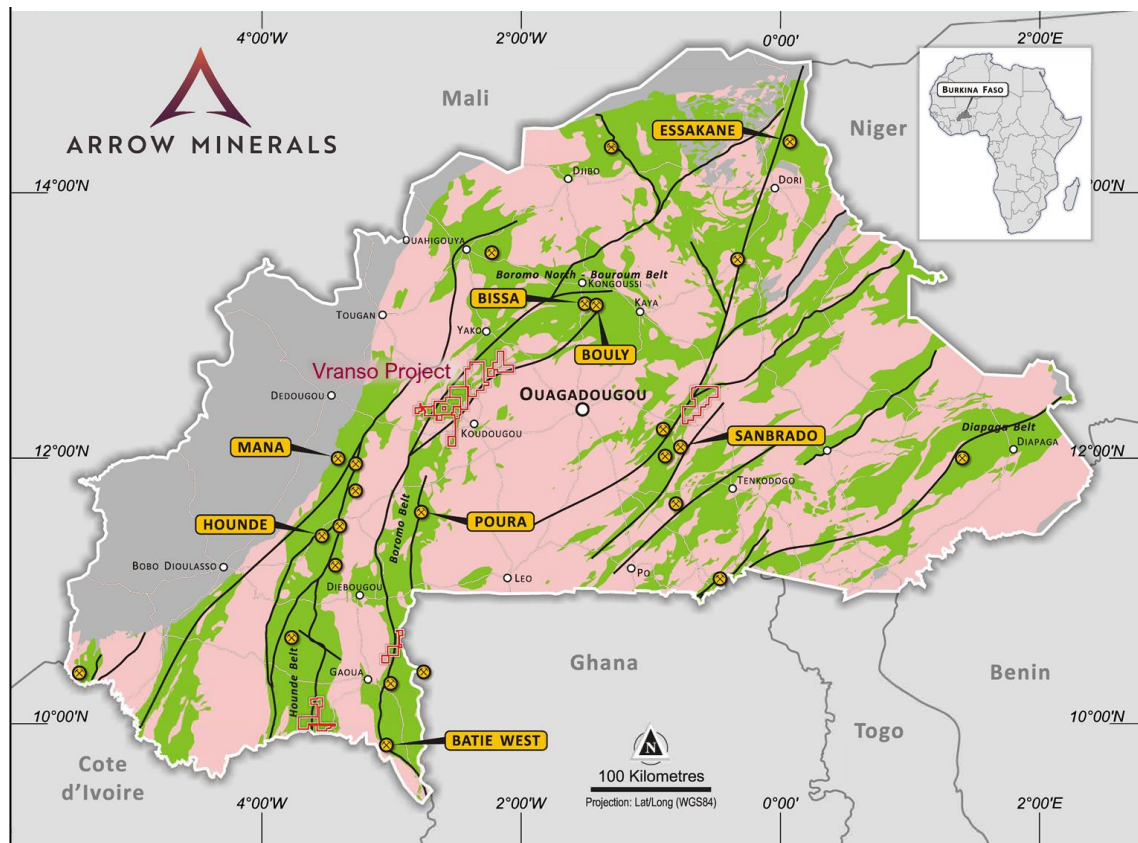
#### VRANSO PROJECT, Burkina Faso

- Major exploration programme underway. Completed this quarter:
  - 35 reverse circulation drill holes
  - 1,054 soil geochemical samples
  - 220 stream sediment geochemical samples
- Detailed aeromagnetic geophysical survey commencing in first quarter 2022

#### HOUNDE SOUTH, Burkina Faso

- Auger drilling fully funded by JV partner advanced the project

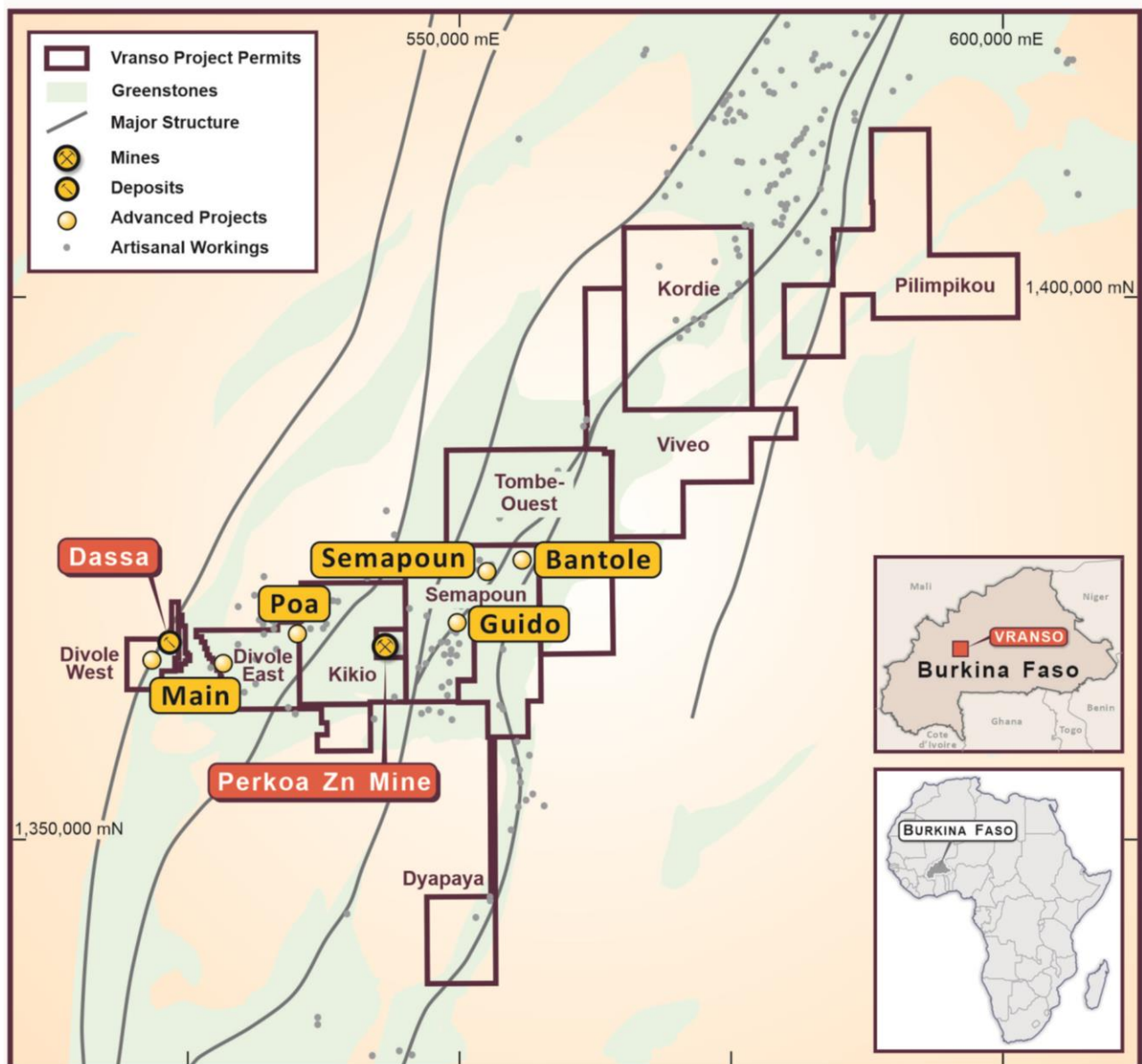
The quarter ended 31 December 2021 included the first phase of a major exploration programme on multiple high-quality targets in the Vranso Project in Burkina Faso. The targets were defined following a comprehensive review by Arrow Minerals Limited (**Arrow** or the **Company**) (ASX: **AMD**) of data from the entire Vranso Project area comprising 1,300 km<sup>2</sup> of the prolific Boromo Belt (*Figure 1*).



*Figure 1: Vranso Project, central Burkina Faso, underexplored gold bearing Greenstone Belt*

## Vranso Project

- Ten semi-contiguous exploration permits extending for over 80 km, covering over 1,300km<sup>2</sup> of the richly gold endowed Paleoproterozoic Birimian Greenstone Belt along the main NE-SW trending Boromo Shear Zone, host to numerous multimillion-ounce gold deposits including Bissa, Bouly, Poura and Batie West.
- Most of the area has yet to be evaluated using modern gold exploration techniques (**Figure 2**).
- Recently concluded historical geochemical, geophysical, and geological data compilation and integration identified numerous high quality advanced and early-stage gold targets. Arrow embarked on a major systematic exploration programme during the December quarter designed to rapidly discover new high-grade shallow gold deposits within the Vranso Project.
- The entire programme is scheduled to take six months to complete and will focus on generative targeting and drilling of targets within trucking distance of a centrally located mill (**Figure 2**).



**Figure 2: Vranso Project location map showing the 10 exploration permits covering 1300km<sup>2</sup> of the Boromo Shear Zone and six of the identified advanced prospects**

## Summary of Exploration during the quarter

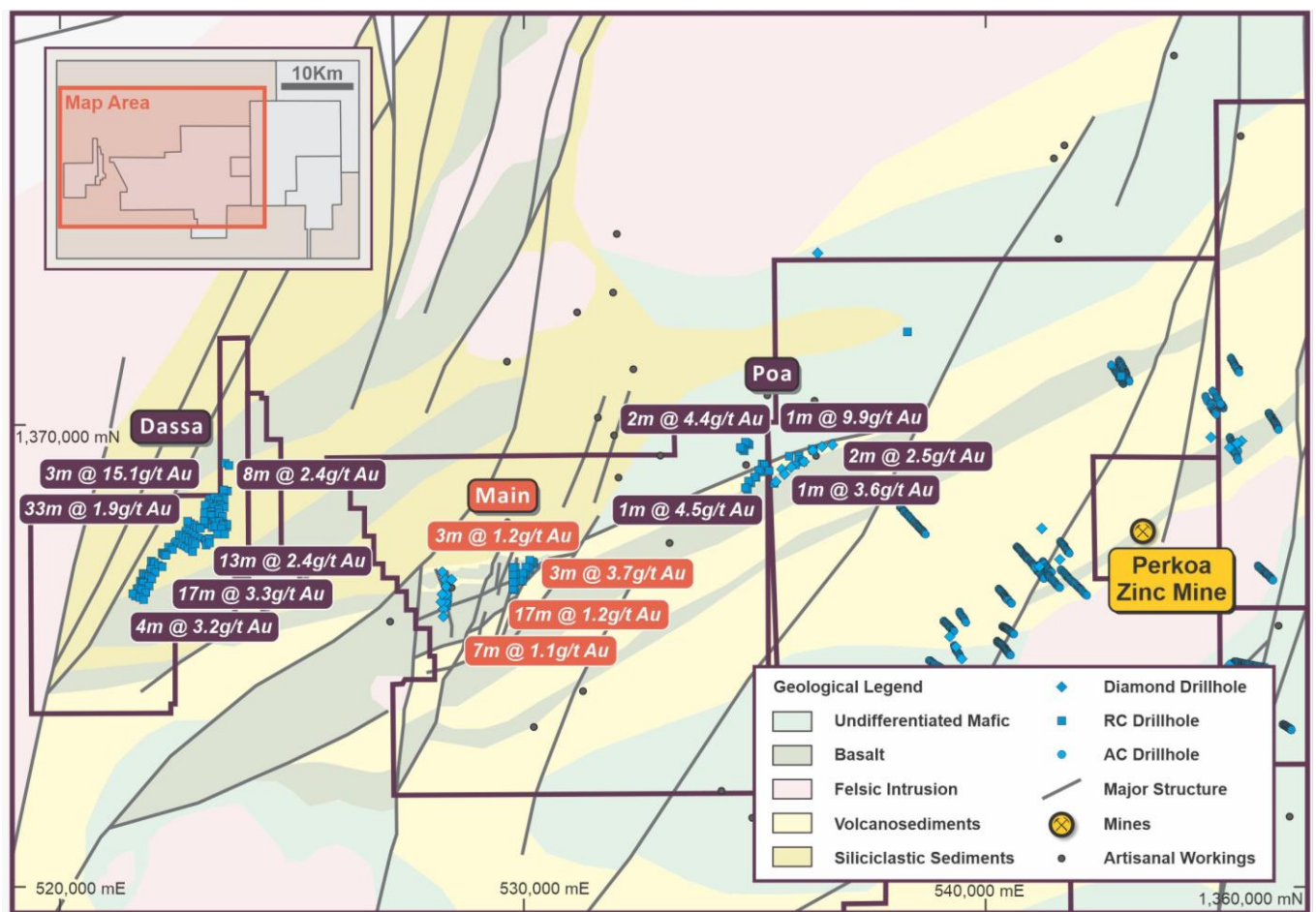
During the quarter the first phase of the systematic exploration programme was completed on the Vranso Project including:

- 35 holes (3,472m) of reverse circulation (RC) drilling,
- 1,054 soil geochemical samples and
- 222 stream sediment geochemical samples.

Assay results are in the final stages of validation and will be released to the market shortly.

## Dassa Prospect

- 6 RC holes (424m) were drilled at the Dassa deposit. The drilling was completed to test the extension of almost 3 km of shallow, shallow-dipping, mostly oxidised gold mineralisation.
- Arrow discovered the Dassa Deposit in 2020, less than 20km from the central Perkoa Zinc Mine processing facility (**Figure 3**). It features two higher grade zones of gold mineralisation, both of which are shallow, consistent, and mostly in the shallow oxide zone.
- The Dassa North and Dassa South mineralised zones extend over 1,000m and 600m respectively, and are both open along strike and at depth.

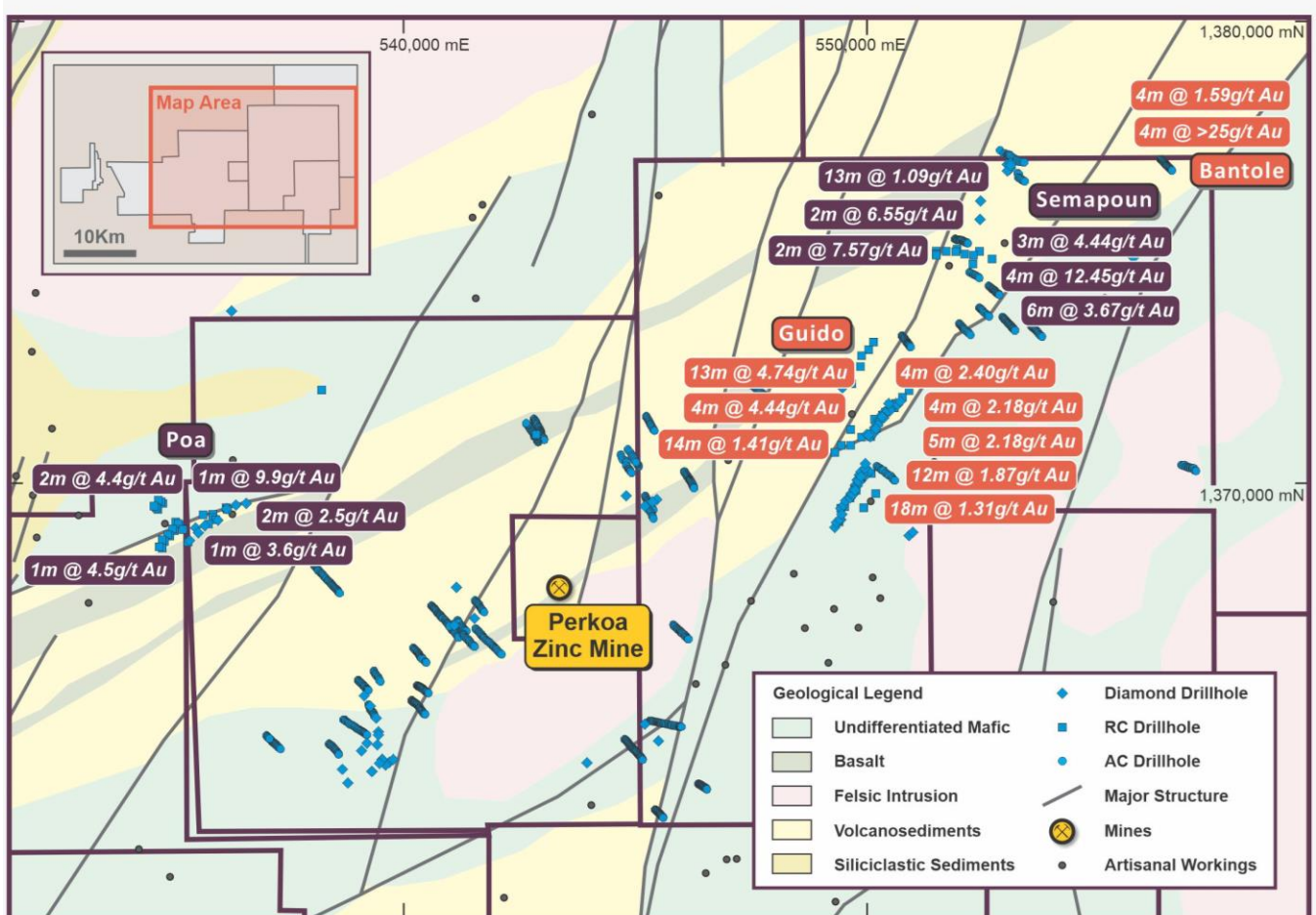


**Figure 3: Dassa, Main and Poa prospects within 20km of the central Perkoa Zinc Mine processing facility. Significant drill intercepts from Arrow and historical drilling shown.**



## Guido Prospect

- Work at Guido during the quarter comprised 19 RC drill holes (2,288m) designed to validate the historical Guido gold resource and test for where the resourced can be increased down dip and along strike.
- The Guido Prospect, shown in **Figure 4**, lies 7km north-east of the Perkoa Zinc Mine processing facility and is accessible by an all-weather sealed road. Blackthorn Resources Ltd initially identified and drilled the Guido gold deposit in 2010, reporting a maiden inferred Mineral Resource of 4.1 Mt at 1.06g/t Au at a 0.4g/t Au cut off (139,000 oz Au).<sup>1</sup> (2012).



**Figure 4: Poa, Guido, Semapoun and Bantole prospects within 20km of the central Perkoa Zinc Mine processing facility. Significant drill intercepts from Arrow and historical drilling shown.**

## Semapoun Prospect

- At Semapoun RC drilling consisting of 10 RC holes (760m) was completed to test the at-depth expression of highly anomalous gold in historical shallow drilling and sampling data.
- The Semapoun Prospect (**Figure 4**) lies 3km along strike from the Guido deposit within the structural corridor defined by the main Boromo Shear Zone. Surface geochemistry and geological structural mapping have been ineffective in defining the distribution of mineralisation due to thick lateritic cover extending over the area.

<sup>1</sup> ASX Release 24 November 2010 – Blackthorn Resources define a Maiden Inferred Mineral Resource for the Guido Prospect in Burkina Faso & ASX Release 29 September 2011 - 2011 Annual Report Blackthorn Resources Limited

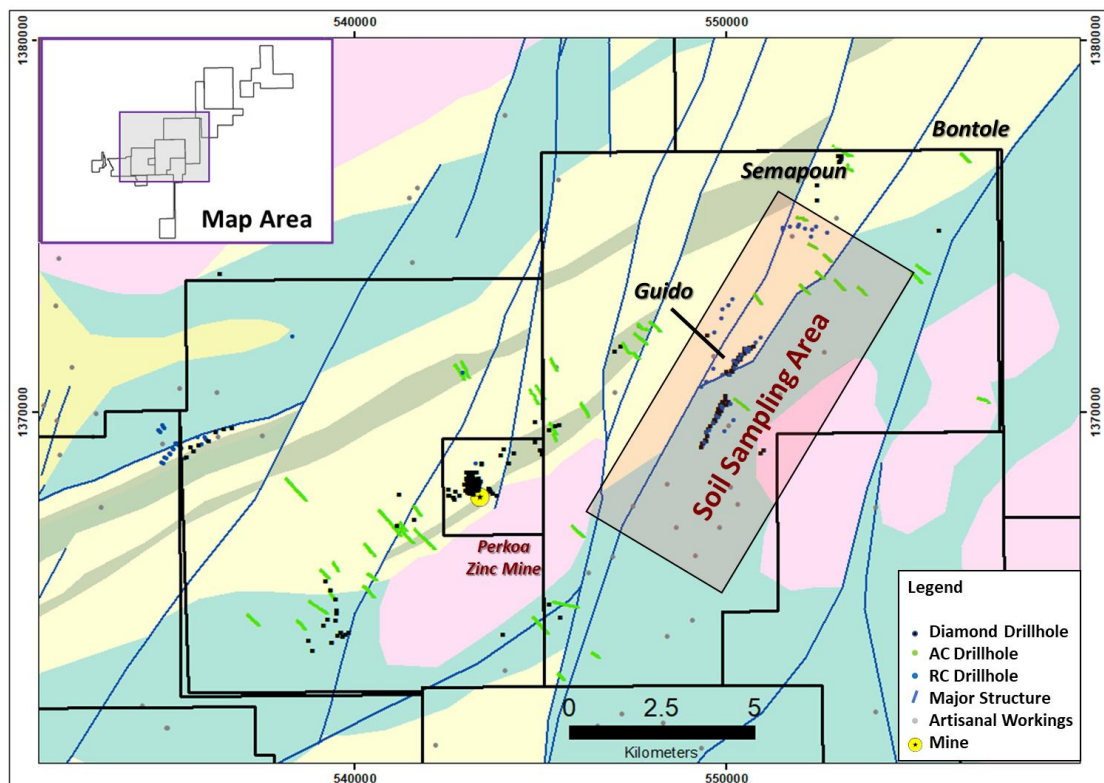
- Historical RAB and RC drilling targeting locally interpreted structural corridors at the Semapoun Prospect intersected several thick high-grade gold zones including intersections in three RC drillholes spaced over 500m apart.

### Bantole Prospect

- Compilation and analysis of historical data revealed significant potential at the Bantole Prospect. The Bantole Prospect is located 5km north-east of the Semapoun Prospect on a sub-parallel D1 structure to the main mineralised structure that hosts the Guido Deposit and Semapoun Prospect, 16km from the Perkoa Zinc Mine processing facility.
- A single northwest-southeast trending line of historical aircore drilling (**Figure 4**), penetrating to the base of weathering, intercepted shallow anomalous gold mineralisation ( $>0.3\text{g/t Au}$ ) over a 200m zone no deeper than 20m.
- Elevated gold in stream sediment geochemical samples, collected directly to the north-east of the aircore traverse in the recently acquired Tombi Quest permit, indicate that gold mineralisation continues in this direction.
- Arrow will undertake additional auger drilling, geological mapping, and structural interpretations to rapidly advance the northern extension of the Bantole Prospect toward drill ready status.

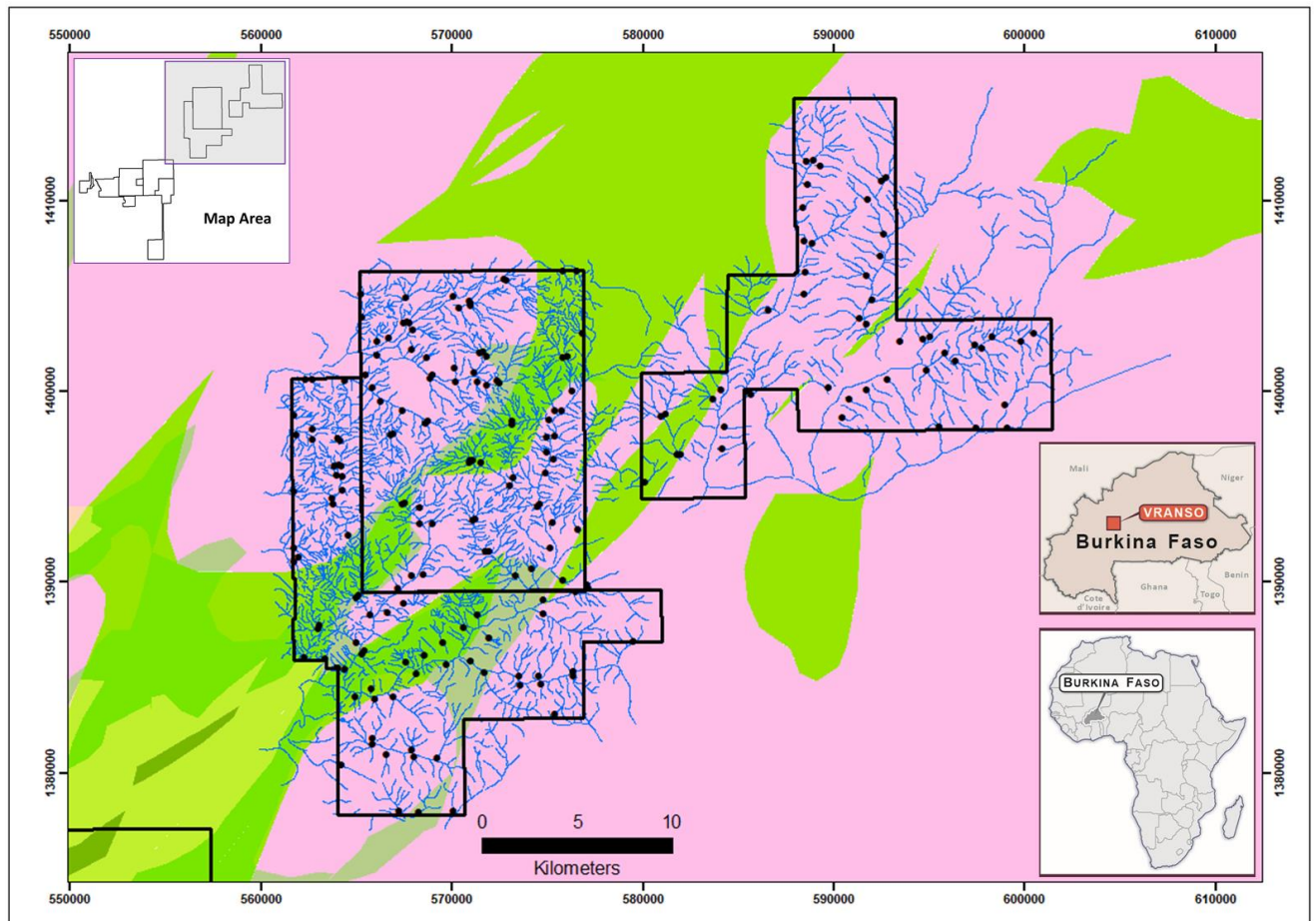
### Regional and Early-Stage Targeting

- Soil geochemical samples were collected along a 10km mineralised NE-SW structural corridor extending from the south of the Guido Prospect to north of Semapoun as shown in **Figure 5**. 1,054 samples were collected along 800m lines and 50m centres as a first pass.
- Infill sampling is now underway to reduce line spacing to 400m. The program is designed to identify the higher tenor gold zones within the structure and sub-parallel mineralised systems beneath cover.



**Figure 5: Soil sampling area along the Guido-Semapoun mineralised trend.**

- Stream sediment geochemical sample collection was completed on the northern permits, 222 sites were sampled in the Pilimpikou, Kordie and Viveo permits, to assist in vectoring in on gold-bearing catchments shedding from the surrounding high ground and identify areas where prospective greenstones have not previously been identified (**Figure 6**).
- A geophysical contractor was engaged to fly a detailed magnetic and radiometric survey over the Vranso Project to improve planning and targeting of mineralised systems.



*Figure 6: Stream sediment locations collected on Pilimpikou, Kordie and Viveo permits during the quarter. Greenstone belt shown in green and granitoids in pink from published geology maps.*

### **Houde South Joint Venture (AMD 100%, Fortuna earning in to 70%)**

- Fortuna Silver Mines Inc., (TSX: FVI), formerly Roxgold Inc. (TSX: ROXG), continued its programme of auger drilling with in-fill over the most prospective areas. Results will be reported in the coming quarter.

## CORPORATE AND FINANCIAL

### Financial Position

As at 31 December 2021 Arrow had \$1.41m in available cash.

### Expenditure on Mining Exploration Activities

In accordance with ASX Listing Rule 5.3.1, the Company advises its exploration and evaluation expenditure during the December 2021 quarter totalled \$466,000. This amount is included at Item 2.1(d) of the Appendix 5B and includes \$227,000 on drilling activities, \$119,000 on geological consultants and employee costs, \$31,000 on travel costs; \$30,000 on field and camp costs, \$10,000 on tenement rents, rates and management; and \$49,000 other costs. Refer to the projects overview commentary above for details of activities conducted during the quarter.

### Payments to Related Parties and their Associates

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totalled \$198,692. The Company advises that \$171,325 of this relates to Directors fees. An amount of \$23,617 was paid to Mitchell River Group (a director-related party of Dr Frazer Tabcart) for data analysis. An amount of \$3,750 was paid to GenGold Resource Capital Pty Ltd (a director-related party of Mr Tommy McKeith) for rental of geochemical equipment. These amounts are included at Item 6 of the Appendix 5B.

### Capital Structure

During the quarter, movements in securities were as follows:

- 2,200,000 shares were cancelled pursuant to employee share scheme buy back
- 4,300,000 unlisted options exercisable at 0.9¢ on or before 11/10/2024 were issued pursuant to the Company's Employee Securities Incentive Plan
- 8,000,000 unlisted options exercisable at 0.9¢ on or before 25/11/2024 were issued to directors (or nominees) following receipt of shareholder approval at the AGM
- 5,000,000 unlisted options exercisable at 1.1¢ on or before 25/11/2025 were issued to directors (or nominees) following receipt of shareholder approval at the AGM

The capital structure of Arrow at 31 December 2021 is set out below:

#### Quoted Securities

Ordinary shares on issue (ASX:AMD)	1,823,931,760
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#### Unquoted Securities

Unlisted options exercisable at 2.0¢ on or before 22/08/2022	120,150,000
Unlisted options exercisable at 1.25¢ on or before 15/10/2022	10,000,000
Unlisted options exercisable at 1.45¢ on or before 22/08/2023	37,500,000
Unlisted options exercisable at 1.0¢ on or before 11/12/2023	2,850,000
Unlisted options exercisable at 0.9¢ on or before 11/10/2024	4,300,000
Unlisted options exercisable at 0.9¢ on or before 25/11/2024	8,000,000
Unlisted options exercisable at 1.1¢ on or before 25/11/2025	4,000,000
Class B Performance Rights subject to performance conditions (ex. 26/08/2022)	69,682,290
Class C Performance Rights subject to performance conditions (ex. 26/08/2023)	69,682,300
Convertible Notes	1,000,000



Announcement authorised for release by Howard Golden, Managing Director of Arrow.

For further information visit [www.arrowminerals.com.au](http://www.arrowminerals.com.au) or contact:

**Arrow Minerals Limited**

Mr Howard Golden

*Managing Director*

E: [info@arrowminerals.com.au](mailto:info@arrowminerals.com.au)

**Competent Persons Statement**

The information in this report that relates to Exploration Results is based on information compiled by Mr Howard Golden who is a Member of the Australian Institute of Geoscientists. Mr Golden is a full-time employee of the Company and has more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves". Mr Golden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Additionally, Mr Golden confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.



**Appendix A – Schedule of Western Australian Tenements as at 31 December 2021**

Tenement ID	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
<b>Strickland Gold Project</b>				
E16/495	Granted	100%	-	100%
E30/493	Granted	100%	-	100%
E30/494	Granted	100%	-	100%
E77/2403	Granted	100%	-	100%
E77/2416	Granted	100%	-	100%
E77/2432	Granted	100%	-	100%
E77/2634	Granted	100%	-	100%
<b>Malinda Lithium Project<sup>1</sup></b>				
E09/2169	Granted	100%	-	100%
E09/2170	Granted	100%	-	100%
E09/2283	Granted	100%	-	100%

**Appendix B – Schedule of Burkina Faso Tenements as at 31 December 2021**

Tenement ID	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
<b>Divole East &amp; West</b>				
20/193/MMC/SG/DGCM	Renewed	100%	-	100%
20/192/MMC/SG/DGCM	Renewed	100%	-	100%
19/047/MMC/SG/DGCM	Granted	100%	-	100%
20/190/MMC/SG/DGCM	Granted	100%	-	100%
<b>Boulsa</b>				
18/152/MMC/SG/DGCM	Granted	100%	-	100%
20/147/MMC/SG/DGCM	Granted	100%	-	100%
<b>Houde South &amp; Nako</b>				
20/084/MMC/SG/DGCM	Granted	100%	-	100%
20/161/MMC/SG/DGCM	Renewed	100%	-	100%
20/162/MMC/SG/DGCM	Renewed	100%	-	100%

<sup>1</sup> Malinda tenements are subject to earn-in by Electrostate Pty Ltd wherein Electrostate may earn up to 85% of Arrow's Malinda lithium project (see ASX announcement of 23 August 2021).

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ARROW MINERALS LIMITED

ABN

49 112 809 846

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(164)	(325)
(e) administration and corporate costs	(209)	(474)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(20)	(40)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Rental bond refund	3	3
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(390)</b>	<b>(836)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(49)
(c) property, plant and equipment	(12)	(13)
(d) exploration & evaluation	(466)	(959)
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	60
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- Stamp duty paid	(2)	(2)
	- Reimbursement of Malinda Project expenditure from Electrostate	56	56
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(424)</b>	<b>(907)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(116)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>(116)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,237	3,284
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(390)	(836)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(424)	(907)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(116)
4.5	Effect of movement in exchange rates on cash held	(9)	(11)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,414</b>	<b>1,414</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,424	2,240
5.2	Call deposits	-	-
5.3	Bank overdrafts – credit card	(11)	(4)
5.4	Other (provide details) – cash on hand	1	1
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,414</b>	<b>2,237</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	171
6.2	Aggregate amount of payments to related parties and their associates included in item 2	28
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p>		
<p>Item 1.2 (d) contains \$13k to Geogen Consulting Pty Ltd for Dr Frazer Tabear's director fees, \$73k to Milagro Ventures Pty Ltd for Mr Hugh Bresser's director fees, and \$85k to other directors on payroll.</p>		
<p>Item 2.1 (d) includes \$24k to Mitchell River Group, a related party of Dr Frazer Tabear and \$4k to Gengold Resources (Pty) Ltd, a related party of Thomas McKeith. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.</p>		



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(390)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(466)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(856)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,414
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,414
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes. Expenditure in the current quarter reported is representative of the Company's current and expected level of net operating cash flows. The Company's planned exploration work for the next quarter will be adjusted based on the quantum of existing funds and new funds arising via an equity raising.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes. The Company is reviewing funding options including the raising of additional capital though an equity raising.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern based on the following factors:

- Adjusting planned exploration activities (subject to available funds)
- Raising additional funds (as outlined above)

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by: Board of Directors  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.