

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2018

HIGHLIGHTS:

- **Aircore drilling programme completed at Strickland Gold Project over T1 and T2 Prospects with key mineralised structures and multiple gold-in-bedrock anomalies identified**
- **T1 drilling continues to produce significant results along strike from the historic Evanston gold mine, with enhanced understanding of the structural controls on mineralisation**
- **Drilling at T2 defined three discrete areas of bedrock mineralisation with strike lengths up to 3.5km. Further drilling at T2c and T2d will commence in 4Q 2018**
- **Fence line drilling programme has commenced to intersect mineralised structures at the T6 Prospect where previous wide spaced drilling intersected 56m @ 0.8g/t, including 24m @ 1.6g/t and 9m @ 3.3 g/t**
- **Arrow sold its remaining 49% interest in the Pilbara Gold Project to TSX-V listed Pacton Gold for C\$1 million in cash and 2 million Pacton shares**

Capital Structure:

ASX Code:	AMD
Share price (30/10/18):	1.6¢
Shares on issue (AMD):	305.5m
Options on issue (AMDOA):	120.9m

Board and Management:

Steven Michael	Managing Director
Dr Frazer Tabearth	Non-Executive Director
Nicholas Ong	Non-Executive Director
Dean Tuck	Exploration Manager
Matthew Foy	Company Secretary

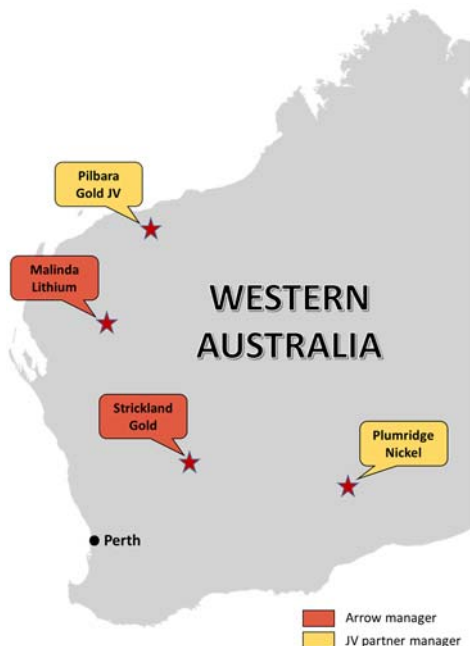


Figure 1 – Project location map

SEPTEMBER QUARTER REVIEW

Strickland Gold Project

Systematic aircore drilling programme completed over T1 and T2 Prospects, with 625 holes drilled for 8,793m. Multiple gold-in-bedrock anomalies defined at both prospects.

Drilling at T1 has defined gold mineralisation over several kilometres at both T1a and T1b. Drilling at T1a intersected 3m @ 0.9g/t, along strike from previous drill intercept of 15m @ 1.5g/t, including 3m @ 6.7g/t.

At the T2 Prospect, drilling has identified gold-in-bedrock mineralisation at T2a (2.3km), T2b (3.5km) and T2c, which remains open to the north under shallow transported cover. Further drilling at T2c and first pass drilling at T2d is expected to commence in 4Q 2018.

Plumridge Nickel Project – AMD 49%, IGO 51%

Independence Group NL, commenced a project-wide aircore drilling programme, with over 19,000m drilled during the quarter. The drilling intersected predominantly mafic, intermediate and felsic gneisses and will be completed over the coming six months.

Pilbara Gold Project

Arrow completed the sale of its remaining 49% interest in the Pilbara Gold Project to Pacton Gold Inc. (TSXV: PAC) (**Pacton**) for consideration of C\$1,000,000 in cash and 2,000,000 Pacton shares.

Corporate

The Company remains in a very strong financial position with cash, receivables and investments in listed companies totalling \$5.0 million.

STRICKLAND GOLD PROJECT (AMD 100%)

During the quarter, Arrow completed wide-spaced aircore drilling at the T1 and T2 Prospects, located in the Evanston Greenstone Belt. A total of 625 holes for 8,793m (average hole depth 14m) were completed over the T1a, T1b, T2a, T2b and T2c Prospects (*Figure 2*).



Figure 2: Strickland Gold Project location map

T1 Prospect

A total of 412 shallow holes were drilled for 5,254m (ave. hole depth 13m) on a 400m x 40m spacing over the majority of the T1a and T1b prospects (*Figure 3*), within the Evanston greenstone belt, along strike from the historical Evanston Gold Mine. The drill programme succeeded in:

- testing the extent of two 3.5km x 1.0km gold-in-soil anomalies;
- defining underlying geology and potential structural controls; and
- delineating bedrock gold anomalism at the base of weathering (saprolite/fresh rock interface).

The aircore drilling programme defined key mineralised structural corridors at T1a and T1b and identified prospective lithostructural features for follow up drill testing. In addition, drilling at the T1a Prospect continues to produce significant drill intercepts with aircore hole BARAC0945 intersecting 33m @ 0.3g/t from 0m, including **3m @ 0.9g/t** from 27m. This intercept immediately along strike from BARAC0136 which last year intersected **15m @ 1.5g/t** including **3m @ 6.7g/t from 12m** depth (*Figure 4*).

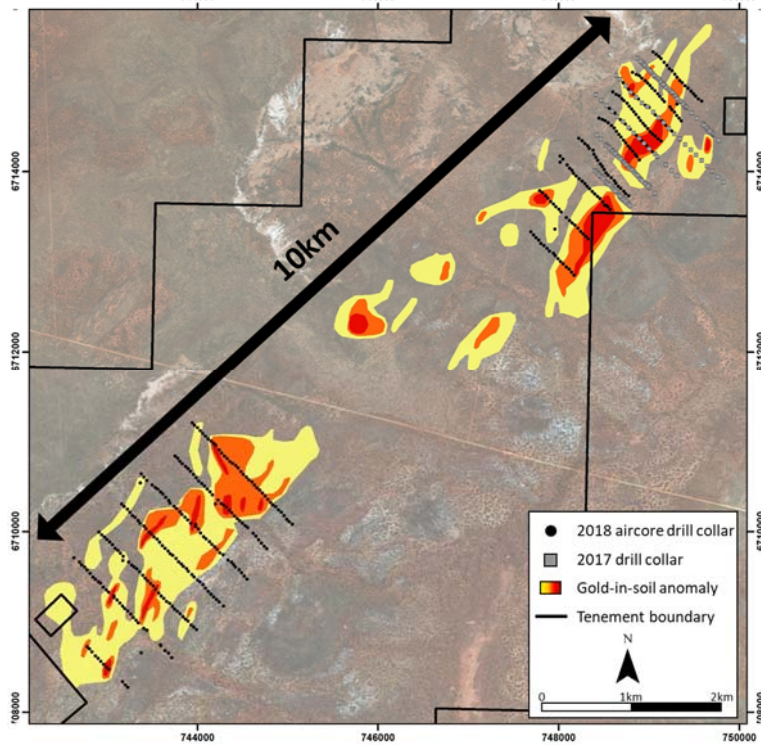


Figure 3: T1 Prospect – plan view showing gold-in-soil anomalies and drill collars

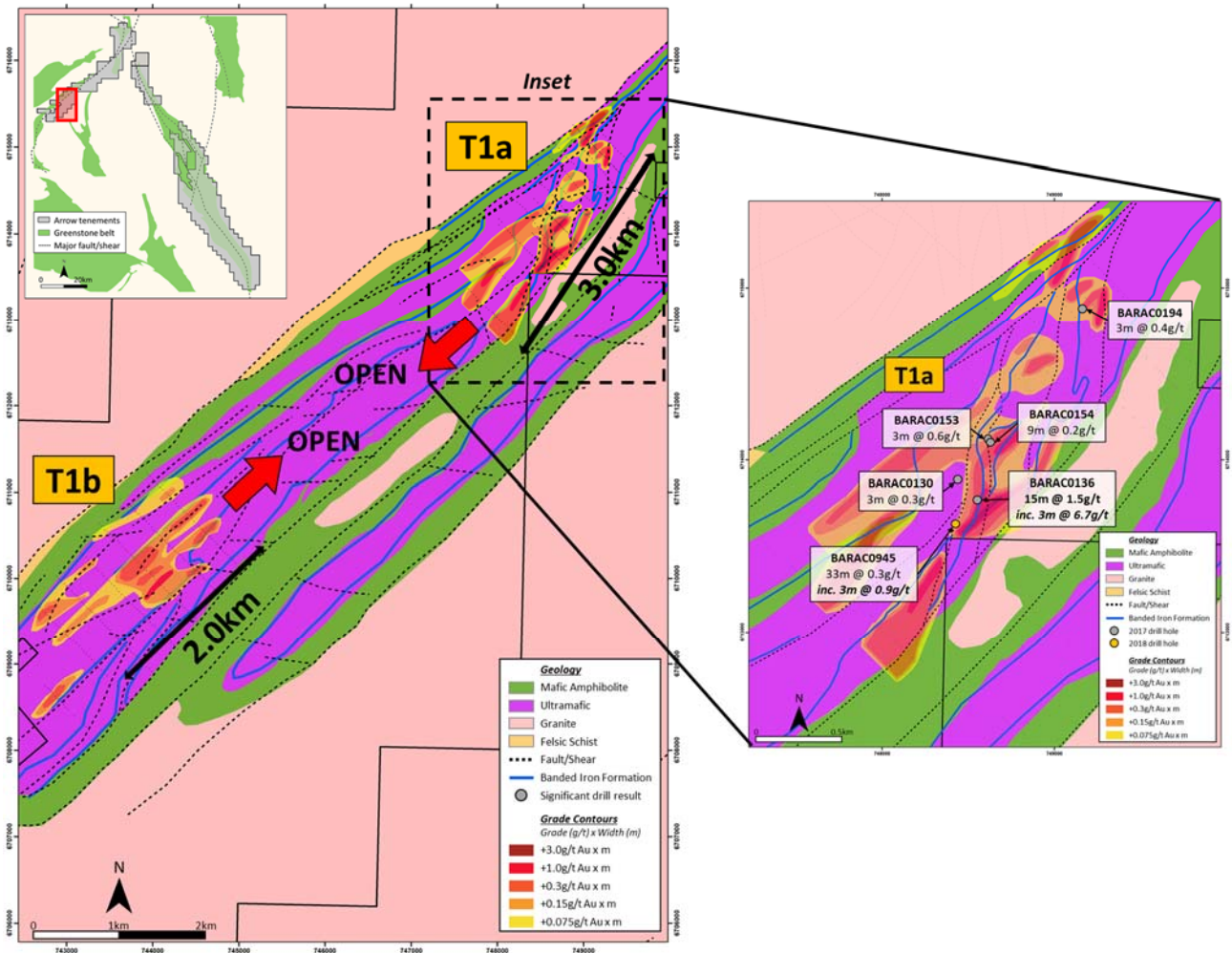


Figure 4: T1 Prospect – plan view gold grade contours and significant drill intercepts

In addition to the aircore drilling programme, detailed mapping and litho-structural interpretation has been ongoing at T1, which has significantly enhanced the understanding of the underlying geology and structural controls on gold anomalism and mineralisation. The drilling and mapping programmes have significantly enhanced the understanding of the geological setting and structural controls on mineralisation and constrained broad surface geochemical anomalies into discrete bedrock targets.

Petrophysical results from diamond core drilled in 2017 has confirmed that mineralisation at the T1 Prospect has a strong induced polarisation (IP) and resistivity contrast with surrounding unmineralised lithological units. As such, a ground IP survey will be carried out over the T1a Prospect in 4Q 2018 to assist in identifying drill targets for reverse circulation (RC) drill testing.

T2 Prospect

At the T2 Prospect, Arrow drilled a total of 213 holes for 3,539m (average hole depth 17m) on a nominal 400m x 80m spacing over the majority of the western side of the South Elvire Greenstone Belt. Previous soil sampling programmes at T2 encountered a substantial amount of transported cover, resulting in broad geochemical anomalies at T2a and T2b. The aircore drilling programme has defined discrete bedrock targets at T2a and T2b and identified key geological structures (**Figure 5**).

In addition, drilling at the T2c Prospect, where soil sampling was ineffective due to transported cover, produced 41m @ 0.2g/t from 32m to 72m, including 3m @ 0.9g/t from 50m (BARAC0843).

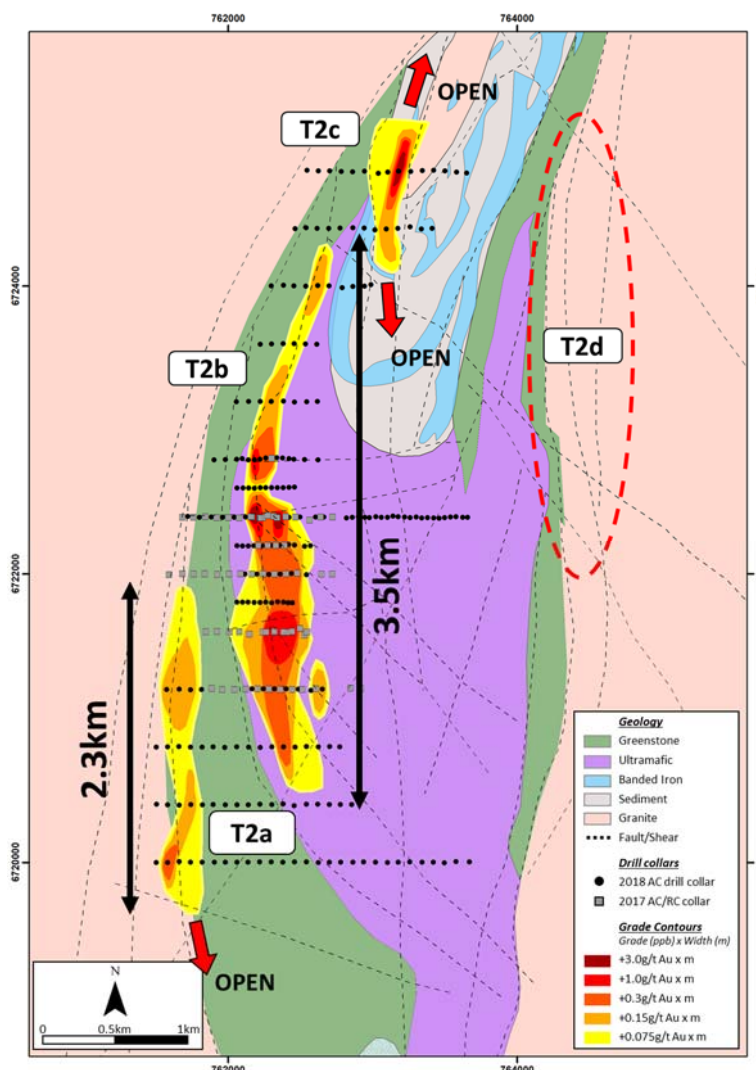


Figure 5: T2 Prospect – plan view showing gold grade contours and significant drill results

In addition to drilling, detailed mapping and litho-structural interpretation has been ongoing at T2, which has significantly enhanced the understanding of the underlying geology and structural controls on gold anomalism and mineralisation. This will enable more efficient and effective future exploration programmes, targeting key mineralised structures.

Arrow has commenced a high resolution aeromagnetic survey at T2, which will be completed prior to the completion of the first pass drilling across T2c and T2d which is expected in 4Q 2018. The aircore drilling programme at the T2 Prospect will include the completion of 400 x 80m spaced drilling over T2c and T2d and close spaced drill holes over priority structural targets at T2b.

Maiden fence line drilling programme commenced

Subsequent to the quarter, Arrow announced it had commenced a maiden fence line drilling programme. The 14,000m fence line drill programme will focus on the T6, T1 and T2 Prospects, where significant gold mineralisation was intersected with drilling in 2017 and 2018. The drill programme consists of set-depth fence lines across prospective mineralised structures as defined by previous aircore drilling, close spaced soil sampling, high-resolution aeromagnetic data and prospect scale geological mapping.

Drilling has commenced at the T6 Prospect, to test six high priority targets which have been delineated by previous exploration work. The drill programme at T6 will comprise 20 fence lines of overlapping angled holes designed to intersect mineralised structures (**Figure 6**).

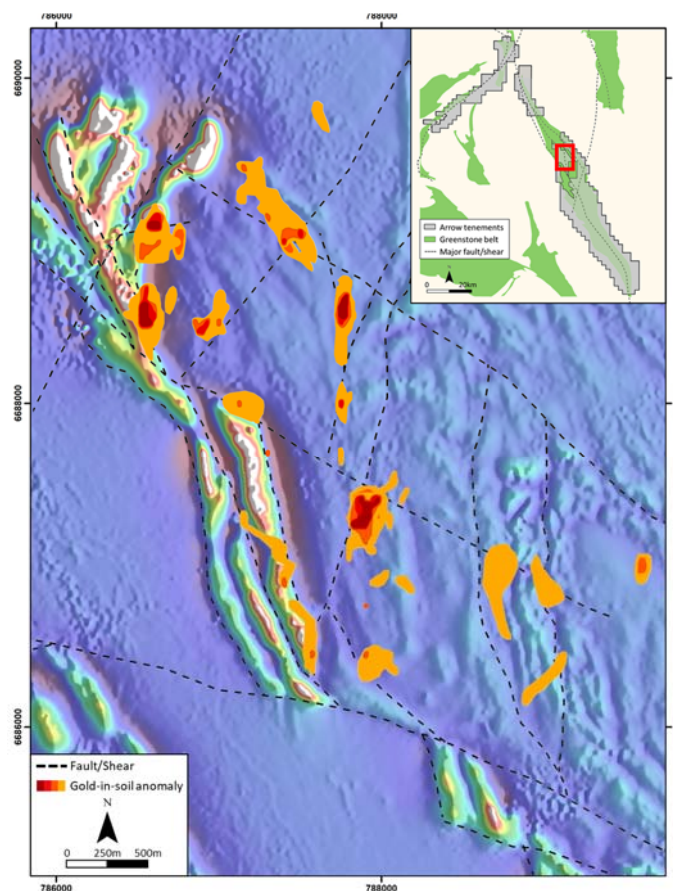


Figure 6: T6 drill targets – plan view showing potentially mineralised structures and gold-in-soil anomalies

Drilling will continue at the T2 and T1 Prospects in late 2018 with a similar density of drilling. The entire drill programme is expected to be completed by the end of December of 2018. Assay results will be released separately for each prospect.

PLUMRIDGE NICKEL PROJECT (AMD 49%, Independence Group NL 51%)

During the quarter, Independence Group NL (IGO) commenced a systematic aircore drilling programme at the Plumridge Nickel Project. A total of 397 holes were drilled for 19,055m (average hold depth 48m), on a nominal 3km x 800m spacing (*Figure 7*). The drilling intersected predominantly mafic, intermediate and felsic gneisses. Infill drilling is planned to better define mafic-ultramafic lithologies. The remaining aircore holes are expected to be drilled over the next six months.

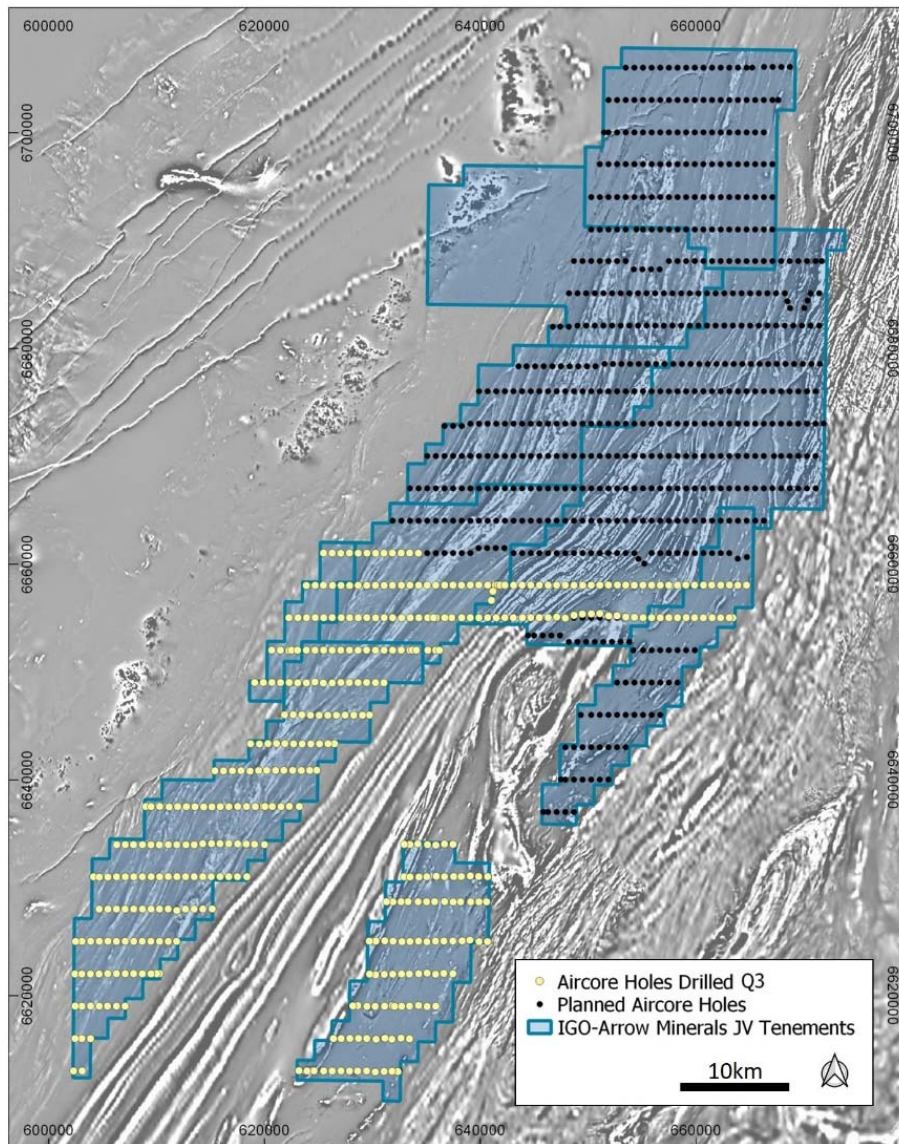


Figure 7: Aircore drill collars on greyscale aeromagnetic RTP 1VD image

For the remainder of 2018, IGO is planning on undertaking:

- Regional aircore drilling to continue (3km x 800m grid);
- Infill aircore drilling as required;
- Fluxgate moving loop EM survey following up previously identified HeliTEM features;
- Spectrem airborne EM survey scheduled for November/December 2018; and
- Assaying of MMG 2017 RC drilling programme composite samples.

Joint venture exploration expenditure for the quarter was approx. \$500,000.

PILBARA GOLD PROJECT

During the quarter, Arrow announced it had agreed to dispose of its remaining 49% interest in the Pilbara Gold Project (**Pilbara Gold**) to Pacton Gold Inc. (TSXV: PAC) (**Pacton**) for consideration of C\$1,000,000 in cash and 2,000,000 Pacton shares (**Consideration**). The Share Sale Agreement (**Agreement**) was submitted to the TSX Venture Exchange (**TSXV**) for final acceptance which was received during the quarter.

Pilbara Gold consists of two exploration licences and two exploration licence applications totalling 609km² in the Pilbara Region of Western Australia. Arrow sold a 51% interest in Pilbara Gold to Pacton in May 2018 and entered into a joint venture whereby Pacton could increase its interest to 80% through expenditure and payment obligations (*see announcement on 14 May 2018*). The Agreement now entered into enables Pacton to acquire a 100% interest in Pilbara Gold.

In addition to receiving the Consideration, Arrow retains the following rights and obligations:

- Pacton will pay Arrow C\$200,000 upon granting of the exploration licence applications, with C\$100,000 paid on the grant of each application;
- Arrow will receive a Discovery Bonus of C\$500,000 in cash upon Pacton publishing a gold resource at Pilbara Gold of over 100,000oz in accordance with National Instrument 43-101 (TSXV equivalent of the JORC Code); and
- Arrow retains all rights to explore, mine and extract lithium, caesium and tantalum.

The Consideration was paid to Arrow following Pacton receiving final acceptance from the TSXV in on 21 September 2018. The 2 million Pacton shares received as part of the Consideration are subject to a voluntary escrow period to 30 June 2019.

Following completion of the transaction, Arrow owns 3,086,957 ordinary shares and 1,086,957 warrants (C\$0.35 exercise price, expiry 22 May 2021) in Pacton with a market value ~\$1.1 million.

CORPORATE AND FINANCIAL

Financial Position

Arrow remains in a strong financial position with \$5.0m in cash, receivables and listed investments. As at the end of the quarter, Arrow held cash of \$3.6 million and receivables of \$0.3 million from the sale of interests in the Pilbara Gold Project, Pardoo Nickel Project and Plumridge Gold Project. Arrow expects to receive all of these amounts by the end of 2018.

Arrow holds listed investments in Pacton Gold Inc. (TSX-V: PAC) and Caeneus Minerals Limited (ASX: CAD) with a market value of \$1.1 million.

Exploration Development Incentive Scheme Distribution

During the quarter Arrow advised that it was participating in the Federal Government's Exploration Development Incentive (**EDI**) Scheme for the 2016/2017 tax year. The process is administered by the Australian Taxation Office (**ATO**).

The EDI enables eligible exploration companies to create exploration credits (**EDI Credits**) by giving up a portion of its tax losses and distributing these EDI Credits to its shareholders. Australian tax resident shareholders that are issued with an EDI Credit will be entitled to a refundable tax offset (for shareholders who are individuals or superannuation funds) or franking credits (for shareholders who are companies). The Company's carry forward tax losses will be reduced by the amount of EDI Credits created.

Arrow has claimed EDI expenditure of \$1,487,586 for the 2017 income tax year. Arrow shareholders received a pro-rata distribution of \$409,086 of EDI Credits, which equates to 0.13¢ per share.

Shareholder entitlements to the 2017 EDI Credits were determined as at 5pm (AWST) on Friday, 29 June 2018 (**Record Date**) and were relative to the number of shares held on the Record Date as a proportion of the Company's total shares on issue on the Record Date. EDI Credits will be rounded down to the nearest dollar and the minimum EDI Credit to be issued will be \$1. The 2017 EDI Credits can be claimed in the 2017/18 tax year.

Capital Structure

During the quarter the Company advised that 714,285 options exercisable at 12.6¢ each on or before 3 August 2018 had lapsed unexercised. On 17 September 2018 the Company further advised that 1,435,713 ordinary shares had been cancelled pursuant to an employee share scheme buy buyback following the expiration of the time period for employees to acquire the plan shares.

The capital structure of Arrow is set out below:

Quoted Securities

Ordinary shares on issue (ASX:AMD)	305,540,609
Quoted options exercisable at 10.0¢ on or before 31/12/2019 (ASX:AMDOA)	120,872,133

Unquoted Securities

Unquoted options exercisable at 17.5¢ on or before 30/6/2019	8,571,408
Unquoted options exercisable at 7.0¢ on or before 31/12/2019	13,146,469

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

Arrow Minerals Limited

Mr Steven Michael

Managing Director

E: info@arrowminerals.com.au

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Dean Tuck who is a Member of the Australian Institute of Geoscientists. Mr Tuck 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 Tuck 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 Tuck 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 Tenements as at 30 September 2018

Tenement ID	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
Strickland Gold Project				
E16/495	Granted	100%	0%	100%
E16/498	Application	0%	0%	0%
E30/503	Application	0%	0%	0%
E30/488	Granted	100%	0%	100%
E30/493	Granted	100%	0%	100%
E30/494	Granted	100%	0%	100%
E77/2403	Granted	100%	0%	100%
E77/2416	Granted	100%	0%	100%
E77/2432	Granted	100%	0%	100%
E77/2570	Application	0%	0%	0%
Malinda Lithium Project				
E09/1618	Granted	35%	0%	35%
E09/2169	Granted	100%	0%	100%
E09/2170	Granted	100%	0%	100%
E09/2171	Granted	100%	(100)%	0%
E09/2197	Granted	100%	0%	100%
E09/2198	Granted	100%	0%	100%
E09/2283	Application	0%	0%	0%
Plumridge Nickel Joint Venture				
E28/1475	Granted	49%	0%	49%
E28/2266	Granted	49%	0%	49%
E28/2267	Granted	49%	0%	49%
E28/2317	Granted	49%	0%	49%
E39/1084	Granted	49%	0%	49%
E39/1709	Granted	49%	0%	49%
E39/1710	Granted	49%	0%	49%
E39/1731	Granted	49%	0%	49%
E39/2088	Application	0%	0%	0%
Pilbara Gold Joint Venture				
E45/5042	Application	0%	0%	0%
E45/5043	Application	0%	0%	0%
E47/3476	Granted	49%	(49)%	0%
E47/3478	Granted	49%	(49)%	0%