



ARROW
MINERALS

(ABN 49 112 609 846)

AND CONTROLLED ENTITIES

HALF YEAR CONDENSED FINANCIAL REPORT

30 JUNE 2023

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CORPORATE DIRECTORY

DIRECTORS

Mr Tommy McKeith	Non-Executive Chairman
Mr Hugh Bresser	Managing Director
Dr Frazer Tabearth	Non-Executive Director
Mr Alwyn Vorster	Non-Executive Director

COMPANY SECRETARY

Ms Catherine Grant-Edwards
Ms Melissa Chapman

PRINCIPAL & REGISTERED OFFICE

Suite 5, 63 Hay Street
Subiaco WA 6008
Telephone (08) 9383 3330
Email info@arrowminerals.com.au

AUDITORS

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000

BANKERS

National Australia Bank Limited
Level 14, 100 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Advanced Share Registry Service
150 Stirling Highway
Nedlands WA 6009

STOCK EXCHANGE LISTING

Arrow Minerals Limited shares (**AMD**) are listed on the Australian Securities Exchange (**ASX**)

DIRECTORS' REPORT

Your directors submit their financial report of Arrow Minerals Limited (ASX:AMD) (**Arrow** or the **Company**) and its controlled entities (together the **Group**) for the half-year ended 30 June 2023.

The names of AMD's directors in office during the half-year and as at the date of this report are as follows:

- Mr Tommy McKeith (Non-Executive Chairman)
- Mr Hugh Bresser (Managing Director)
- Dr Frazer Tabcart (Non-Executive Director)
- Mr Alwyn Vorster (Non-Executive Director)

REVIEW OF OPERATIONS

During the half-year ended 30 June 2023, Arrow continued exploration and community engagement activities on the Simandou North Iron Project in Guinea, West Africa and maintained the assets in Burkina Faso in care and maintenance. Key highlights from the period are summarised below.

GUINEA

Simandou North Iron Project

During the half-year ended 30 June 2023 Arrow Minerals Limited (**Arrow** or the **Company**) received *Autorisation Environnementale* (Environmental Authorisation) following submittal of an Environmental and Social Management Plan based off community engagement and environmental monitoring data on the Simandou North Iron Project to aid in developing measures to avoid or reduce any potential negative impacts of its exploration activities on the environment and local communities.

Detailed geological mapping and infill geochemical sampling to assist with the development of drill targets to test the depth and extent of the high-grade iron zones was also undertaken with over 250 surface rock chip samples collected and analysed by ALS Global Analytical results confirmed the presence of high grade (>58%) iron at surface (*Figure 1*). Four high priority target areas, Dalabatini, Diassa, Kowouleni and Kalako were identified (*Figure 1*).

Scout diamond drilling has been conducted at two of the four high priority targets, focused on the Dalabatini and Kowouleni Targets. A total of 16 holes (826m) were drilled, five holes at Dalabatini and eleven holes completed at Kowouleni, to test for high grade haematite mineralisation at the Simandou North Iron Project. This drilling was designed to provide shallow geological and geochemical information to facilitate subsurface understanding and to enable targeting of high-grade haematite mineralisation.

Arrow has a strategy of delivering long-term value to shareholders through the discovery and development of economic mineral deposits in West Africa. Arrow currently holds a beneficial 33.3% interest in the Simandou North Iron Project and can earn a 100% interest by meeting key milestones. The scout drill program and other exploration commitments will contribute towards Arrow meeting this milestone.

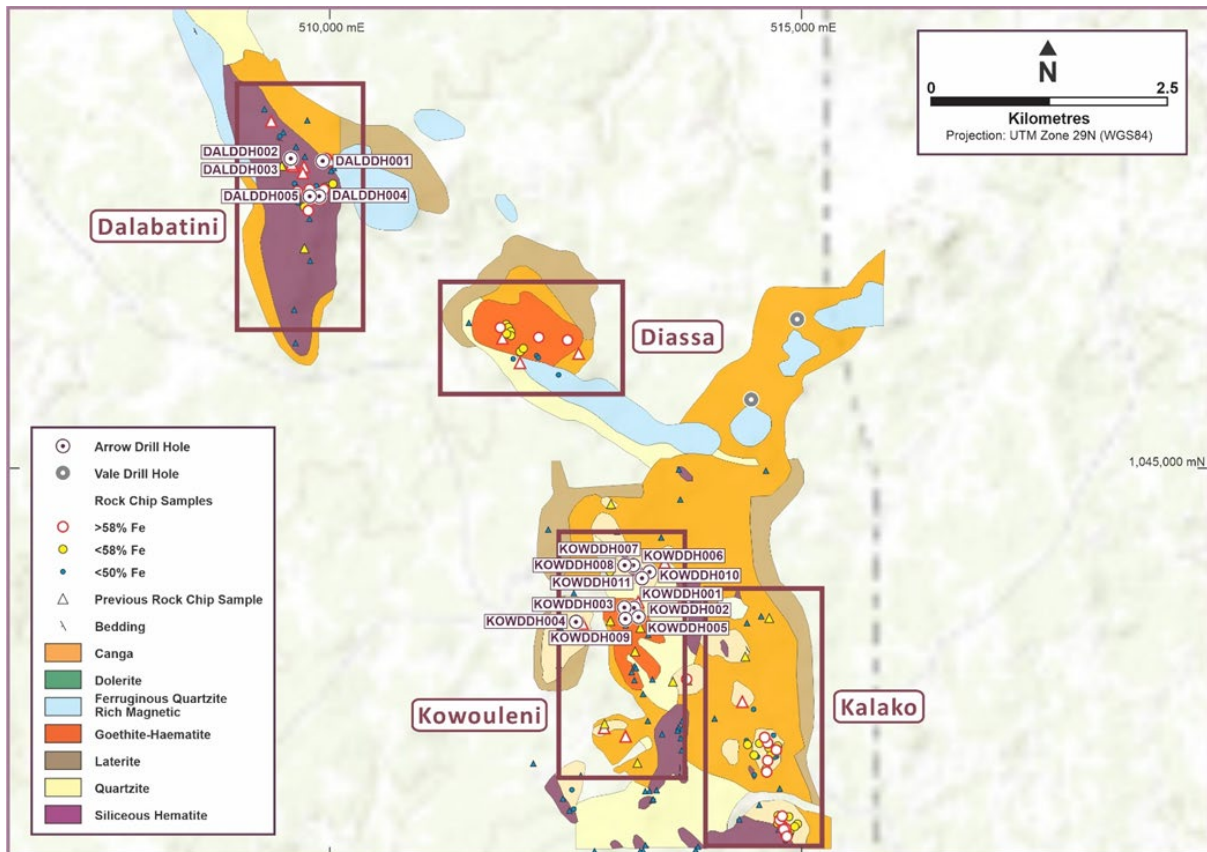


Figure 1. Detailed map geological map showing the four distinct target areas, Dalabatini, Diassa, Kowouleni and Kalako and scout diamond drillhole collar locations for Simandou North Iron Project completed as part of the first pass scout drilling program prior to the commencement of wet season.

BURKINA FASO

Arrow has suspended all field activities in Burkina Faso due to ongoing security concerns. The Company informed the Government of Burkina Faso of 'Force Majeure'. The Company maintains a limited presence in the country to monitor the situation and ensure all exploration permits and assets are preserved in good standing.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Hugh Bresser, a Competent Person who is a Member of the Australian Institute of Geoscientists and Australasian Institute of Mining and Metallurgy. Mr Bresser is an employee of Milagro Ventures which provides executive and technical consultancy services to Arrow Minerals, Mr Bresser is in the role of Managing Director of Arrow Minerals, he has sufficient experience that 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 Bresser consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CORPORATE

The following significant transactions and events occurred during the period:

Placement

The Company raised \$2,695,000 via a Placement (**Placement**) to sophisticated and institutional investors at an issue price of 0.55¢ per share, together with a one for two (1:2) unlisted option, exercisable at 0.825¢ on or before 22 February 2024.

Annual General Meeting

The Company held a general meeting of shareholders on 5 April 2023 where all resolutions put to shareholders were decided by way of a poll.

The Company held its annual general meeting of shareholders on 25 May 2023 (**AGM**) where all resolutions put to shareholders were decided by way of a poll.

CHANGES IN CAPITAL STRUCTURE

Movements in the securities of the Company during the half-year ended 30 June 2023 is summarised as follows:

Shares

During the period the Company issued the following shares:

- 490,000,002 shares issued via a Placement (**Placement**).

Unlisted Options

During the period the Company issued the following unlisted options:

- 245,000,002 unlisted options exercisable at 0.825¢ expiring 22 February 2024 were issued to investors as free attaching options, one unlisted option for every two shares, pursuant to a Placement;
- 40,000,000 unlisted options exercisable at 0.7¢ expiring 22 February 2026 were issued to Placement Advisors (or their nominees); and
- 39,393,939 unlisted options exercisable at 0.825¢ expiring 22 February 2024 were issued to Placement Brokers (or their nominees).

There were no unlisted options exercised or lapsed during the period.

Convertible Notes

There were no movements in the number of Convertible Notes on issue during the period.

Performance Rights

There were no movements in Performance Rights during the period.

Securities on Issue at 30 June 2023

Quoted Securities

Ordinary shares on issue (ASX:AMD)	3,023,765,096
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Unquoted Securities

Options exercisable at 1.45¢ on or before 22/08/2023	37,500,000
Options exercisable at 1.0¢ on or before 11/12/2023 ¹	2,850,000
Options exercisable at 0.9¢ on or before 11/10/2024 ¹	4,300,000
Options exercisable at 0.9¢ on or before 25/11/2024	8,000,000
Options exercisable at 0.6¢ on or before 05/08/2025	9,900,000
Options exercisable at 0.6¢ on or before 05/08/2025	40,000,000
Options exercisable at 0.7¢ on or before 24/10/2025	5,000,000
Options exercisable at 1.1¢ on or before 25/11/2025	5,000,000
Options exercisable at 0.825¢ on or before 22/02/2024	284,393,941
Options exercisable at 0.7¢ on or before 22/02/2026	40,000,000
Performance Rights (Class C) expiring on 26/08/2023 ²	69,682,300
Performance Rights (Tranche 1) expiring on 31/12/2026 ³	32,000,000
Performance Rights (Tranche 2) expiring on 31/12/2026 ⁴	32,000,000
Performance Rights (Tranche 3) expiring on 31/12/2026 ⁵	32,000,000
Convertible Notes	1,000,000

¹ Pursuant to ESIP

² Class C Performance Rights Milestone: Announcement by Arrow of a JORC 2012 compliant Inferred, Indicated and Measured Resource collectively of at least 1,000,000oz of gold located on the Tenements

³ Tranche 1 Performance Rights Milestone: Release of an ASX announcement confirming a JORC compliant resource equal to or in excess of 50Mt at no lower than 60% Fe by 31 December 2024.

⁴ Tranche 2 Performance Rights Milestone: Release of an ASX announcement of a positive Scoping Study that recommends moving to pre-feasibility study (PFS) by 31 December 2025.

⁵ Tranche 3 Performance Rights Milestone: AMD's share price (calculated at the 5-day VWAP) exceeding five (5) times the 30-day VWAP (calculated at 24 October 2022) (Share Price Hurdle) over a consecutive 20-day period (trading days) by 31 December 2025. Based on a calculation date of 24 October 2022, the Share Price Hurdle has been determined to be .2.6¢.

SUBSEQUENT EVENTS

On 7 August 2023, the Company announced that it had entered into a binding option and earn-in agreement with Raiden Resources Limited for the sale of Arrow's lithium-caesium-tantalum mineral rights in tenements E47/3476 and E47/3478 located in the Pilbara, Western Australia.

On 22 August 2023, a total of 37,500,000 options at 1.45¢ had expired without exercise or conversion.

On 26 August 2023, 69,682,300 performance rights (Class C) expired without exercise or conversion.

On 30 August 2023, the Company announced it had executed a binding term sheet to acquire the remaining 39.5% interest in Amalgamated Minerals Pte Ltd. This new agreement provides a mechanism by which the Company can advance to a 100% interest in the Simandou North Iron Project.

No other matters or circumstances have arisen since 30 June 2023 which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001, we have obtained an independence declaration from our auditors, HLB Mann Judd (WA Partnership), which is included in this report.

Signed in accordance with a resolution of the Directors



Hugh Bresser
Managing Director

Perth, 13 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Arrow Minerals Limited for the half-year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
13 September 2023

B G McVeigh
Partner

hl**b.com.au**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@h**l**bwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2023**

	Note	30 Jun 2023	31 Dec 2022 (6-months)
		\$	\$
Continuing Operations			
Interest income		6,179	1,937
Other income	2	-	661,944
Net (loss)/profit on financial assets/liabilities measured at fair value through profit or loss		(129,476)	151,551
Employee benefits expenses		(189,904)	(220,790)
Occupancy costs		(21,371)	(24,189)
Amortisation of right of use assets		(7,341)	(7,462)
Impairment of exploration and evaluation assets		-	(8,522,931)
Exploration expenditure		(105,170)	-
Finance costs		(55,312)	(53,685)
Depreciation		(12,670)	(12,944)
Share-based payment expense	13(a)	(70,075)	(52,073)
Administration and other expenses		(62,653)	(264,033)
Share of equity accounting loss	5	(9,479)	-
Loss before tax from continuing operations		(657,272)	(8,342,675)
Income tax expense		-	-
Loss after tax from continuing operations		(657,272)	(8,342,675)
Other comprehensive income			
Items that may be classified subsequently to profit or loss			
Movement in foreign currency translation reserve		(333,485)	(277,236)
Share of foreign currency translation reserve relating to equity accounted investment		5,505	-
Other comprehensive loss for the period		(327,980)	(277,236)
Total comprehensive loss for the period attributable to members of the Company		(985,252)	(8,619,911)
Loss per share for the period attributable to the members of Arrow Minerals Limited			
Basic loss per share (cents per share)		(0.023)	(0.158)
Diluted loss per share (cents per share)		(0.023)	(0.158)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	30 Jun 2023 \$	31 Dec 2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	989,057	617,313
Trade and other receivables		41,371	39,422
Prepayments		65,391	110,443
Financial assets		122,200	246,750
TOTAL CURRENT ASSETS		1,218,019	1,013,928
NON-CURRENT ASSETS			
Exploration and evaluation assets	4	-	-
Right of use assets		13,627	20,968
Property, plant and equipment		39,653	50,453
Investment in associate	5	2,402,276	2,406,250
Receivables	6	1,130,087	156,627
Deferred Fair Value Adjustment	6	396,499	-
TOTAL NON-CURRENT ASSETS		3,982,142	2,634,298
TOTAL ASSETS		5,200,161	3,648,226
CURRENT LIABILITIES			
Trade and other payables	7	105,549	246,211
Right of use lease liabilities	8	14,552	15,566
Other financial liabilities	9	982,815	-
TOTAL CURRENT LIABILITIES		1,102,916	261,777
NON-CURRENT LIABILITIES			
Right of use lease liabilities	8	-	6,693
Other financial liabilities	9	-	997,306
TOTAL NON-CURRENT LIABILITIES		-	1,003,999
TOTAL LIABILITIES		1,102,916	1,265,776
NET ASSETS		4,097,245	2,382,450
EQUITY			
Issued capital	10	51,182,828	48,713,599
Reserves		2,633,870	2,760,442
Accumulated losses		(49,719,453)	(49,091,591)
TOTAL EQUITY		4,097,245	2,382,450

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2023**

	Note	30 Jun 2023	31 Dec 2022 (6-months)
		\$	\$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(822,946)	(758,452)
Interest income received		6,179	1,937
Government grant		-	17,500
<i>Net cash used in operating activities</i>		(816,025)	(739,015)
Cash Flows from Investing Activities			
Proceeds from the sale of tenements		-	600,000
Proceeds from sale of financial assets		-	700,000
Payment for exploration and evaluation activities		-	(363,876)
Purchase of property plant and equipment		(146)	-
Advance to Simandou North Iron Project		(1,369,959)	(156,627)
<i>Net cash used in investing activities</i>		(1,370,105)	779,497
Cash Flows from Financing Activities			
Proceeds from issue of shares		2,695,000	350,000
Capital raising transaction costs		(95,227)	-
Principal payments on lease liabilities		(7,707)	(7,416)
Interest paid on convertible notes		(39,890)	(40,110)
<i>Net cash from financing activities</i>		2,552,176	302,474
Net increase in cash and cash equivalents		366,046	342,956
Effect of exchange rate movements		5,698	2,538
Cash and cash equivalents at the beginning of the period		617,313	271,819
Cash and cash equivalents at the end of the period	3	989,057	617,313

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2023**

	Issued Capital	Share-Based Payment Reserve (Shares)	Share-Based Payment Reserve (Options and Rights)	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	45,957,349	2,082,668	867,722	35,215	(40,748,916)	8,194,038
Loss after tax for the period	-	-	-	-	(8,342,675)	(8,342,675)
Other comprehensive loss	-	-	-	(277,236)	-	(277,236)
Total comprehensive loss for the period	-	-	-	(277,236)	(8,342,675)	(8,619,911)
Issue of Shares	2,756,250	-	-	-	-	2,756,250
Issue of Options	-	-	43,417	-	-	43,417
Issue of Performance Rights	-	-	6,917	-	-	6,917
Share-based payments	-	1,739	-	-	-	1,739
Total transactions with equity holders	2,756,250	1,739	50,334	-	-	2,808,323
Balance at 31 December 2022	48,713,599	2,084,407	918,056	(242,021)	(49,091,591)	2,382,450
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2023	48,713,599	2,084,407	918,056	(242,021)	(49,091,591)	2,382,450
Loss after tax for the period	-	-	-	-	(657,272)	(657,272)
Other comprehensive loss	-	-	-	(327,980)	-	(327,980)
Total comprehensive loss for the period	-	-	-	(327,980)	(657,272)	(985,252)
Issue of Shares (net of costs)	2,469,229	-	-	-	-	2,469,229
Issue of Options (net of costs)	-	-	201,408	-	-	201,408
Total transactions with equity holders	2,469,229	-	201,408	-	-	2,670,637
Writing back change in expenditure – convertible note	-	-	-	-	29,410	29,410
Balance at 30 June 2023	51,182,828	2,084,407	1,119,464	(570,001)	(49,719,453)	4,097,245

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the six-month transitional year ended 31 December 2022 and any public announcements made by Arrow Minerals Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

b) Basis of Preparation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The half-year financial report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

c) Going concern

The interim condensed financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the half-year ended 30 June 2023 of \$657,272 (31 December 2022: \$8,342,675) and a net cash inflow from operating, investing and financing activities of \$366,046 (31 December 2022: \$342,956). Net assets of the Group as at 30 June 2023 were \$4,097,245 (31 December 2022: \$2,382,450). Cash and cash equivalents as at 30 June 2023 were \$989,057 (31 December 2022: \$617,313).

The ability of the Group to continue as a going concern is dependent on it being able to successfully raise further debt or capital funding in the next 12 months, to pursue its current exploration strategy. Management will continue to explore the tenements and the Directors are confident that the Group will be able to continue as a going concern and meet its liabilities as and when they fall due in the next 12 months. Specifically, the Directors' conclusion is supported by the following:

- Successful capital raising during the 30 June 2023 half-year, totalling \$2,695,000 (before costs);

- The ability to reduce exploration and evaluation expenditures accordingly should the need arise through the ongoing close monitoring of cash reserves; and
- No anticipated events of default from the Convertible note (on which there are no financial covenants) which has a maturity date of 15 June 2024, giving the Group time to pursue its strategy of achieving exploration success from its tenement portfolio.

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

Should the Group be unable to raise further debt or capital within the next 12 months with the initiatives detailed above, then there exists a material uncertainty that may cast significant doubt on whether the Group will be able to continue as a going concern and whether it will be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statements.

d) **Adoption of new and revised standards**

Standards and Interpretations applicable to 30 June 2023

In the half-year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2023. As a result of this review, the Directors have applied all new and amended Standards and Interpretations that were effective as at 1 January 2023 with no material impact on the amounts or disclosures included in the financial report.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and directors have reviewed and determined they have no material effect.

e) **Significant accounting judgements and key estimates**

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 December 2022, in addition management made judgements, estimates and assumptions in relation to the discount rate on loans. The last financial period was for the six months ended 31 December 2022 and these are used as comparatives.

2. **OTHER INCOME**

	30 Jun 2023	31 Dec 2022 (6-months)
	\$	\$
Profit on sale of financial asset	-	644,444
Government grant	-	17,500
	<u>-</u>	<u>661,944</u>

3. CASH AND CASH EQUIVALENTS

	30 Jun 2023	31 Dec 2022
	\$	\$
Cash at bank and on hand	989,057	617,313

4. EXPLORATION AND EVALUATION ASSETS

	30 Jun 2023	31 Dec 2022
	\$	\$
Exploration and evaluation phase:	-	-
<i>Movements:</i>		
Balance at the beginning of the period	-	8,179,606
Expenditure incurred during the period	-	343,325
Impairment recognised during the period (a)	-	(8,522,931)
Balance at the end of the period	-	-
<i>Impairment expense recognised in respect of the following:</i>		
Burkina Faso Projects	-	(8,437,757)
Strickland Copper Gold Project	-	(85,174)
	-	(8,522,931)

- (a) The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation of each area of interest.

The impairment expense totalling \$8,522,931 recognised in the period ended 31 December 2022 relates to:

- Burkina Faso Projects (\$8,437,757); and
- Strickland Project (\$85,174).

In response to the escalating armed activity throughout the country, on 30 September 2022 Burkina Faso was subject to a military lead coup, the second within a 12 month period. As a result of the continued deterioration in the security situation, Arrow has ceased all exploration field activities and has no current plans to resume exploration activities until the security situation is resolved. The Company continues to monitor the political and security situation in Burkina Faso.

Additionally, reference is made to Trevali Mining Corporation (Trevali), Arrow's joint venture partner and owner of several exploration tenements forming part of the Vranso Project. The Judicial Tribunal of Commerce in Burkina Faso has granted an order providing for the liquidation of Trevali's 90%-owned subsidiary Nantou Mining Burkina Faso S.A. (**Nantou Mining**). A liquidator has been appointed and has assumed responsibility for the management of the affairs of Nantou Mining. Trevali no longer exercises operational control over Nantou Mining or the Perkoa Zinc Mine. Nantou Mining funded exploration activities through an intercompany loan to Nantou Exploration and Sanguie Exploration with the exploration permits from both companies being used as collateral for the loan. Nantou Exploration and Sanguie Exploration have no source of funding or capacity to complete statutory reporting requirements to enable permit extensions. Sanguie Exploration has already failed to apply for permit extensions on the three exploration permits held under that company; it is anticipated that renewals for the permits held by Nantou Exploration will also not be applied for.

As a result of these developments, the Company has written down the carrying value of all Burkina Faso exploration assets to nil at 31 December 2022, resulting in an impairment expense of \$8,437,757 being recognised in that period.

The Company is taking appropriate steps to seek to maintain and protect its project interests in Burkina Faso.

5. INVESTMENT IN ASSOCIATE

- (a) Reconciliation of carrying amount of investments accounted for using the equity method

	Beneficial Interest		30 Jun 2023	31 Dec 2022
	30 Jun 2023	31 Dec 2022		
			\$	\$
Amalgamated Minerals Pte. Ltd [^] (b)	33.3%	33.3%	2,402,276	2,406,250
			\$	\$
<i>Movements in carrying amount:</i>				
Balance at beginning of period			2,406,250	-
Initial cost of investment in associate (c)			-	2,406,250
Share of loss of associate (d)			(9,479)	-
Share of foreign currency translation reserve (d)			5,505	-
Balance at end of period			2,402,276	2,406,250

[^]Holder of 100% interest in subsidiary entity Mineralfields Guinea SARLU. Mineralfields Guinea SARLU is the holder of Simandou North Iron Project (Permit 22967).

- (b) Definitive Binding Agreement to Acquire up to 60.5% in the Simandou North Iron Project and Stage 1 Completion

On 13 July 2022, the Company announced that it had executed a non-binding term sheet (**Term Sheet**) to acquire up to a 60.5% controlling interest in Amalgamated Minerals Pte. Ltd. (**Amalgamated**), a private Singaporean registered company, which holds a 100% interest in the Simandou North Iron Project in Guinea, West Africa. Pursuant to the Term Sheet, Arrow issued 81,250,000 fully paid ordinary shares for a three-month exclusivity option to acquire up to a 60.5% interest in the Simandou North Project through Amalgamated (**Exclusivity Consideration Shares**).

Arrow engaged the services of CH-Qorum GmbH (an unrelated party) (**Facilitator**) to introduce and engage Amalgamated in relation to the Simandou North Project and act as an exclusive facilitator to Arrow in connection with the proposed transaction. For purposes of facilitating an introduction to Amalgamated and assisting in securing a successful transaction and investment by Arrow in the Simandou North Project, the Facilitator was entitled to be issued 81,250,000 fully paid ordinary shares in Arrow (**Facilitator Fee Shares**).

On 24 October 2022, the Company announced that, following the successful completion of due diligence on the Simandou North Iron Project, which included visits to the project area in Guinea by Arrow directors, as well as reviews from reputable legal firms in Australia, Singapore and Guinea, Arrow executed a binding agreement (**Definitive Agreement**) formalising the terms outlined in the Company's ASX Announcement of 13 July 2022.

On 31 December 2022, the Company formally acquired its initial 33.3% beneficial interest in Amalgamated, representing completion of Stage 1 of the transaction. On 31 December 2022 Arrow issued 500,000,000 ordinary shares (being the **Stage 1 Consideration Shares**) to ROPA Investments (Gibraltar) Limited and its nominees.

Shareholder approval for the issue of the Stage 1 Consideration Shares was received at the Company's Annual General Meeting (**AGM**) held 30 November 2022.

Other key terms of the Definitive Agreement include the following:

- After completion of Stage 1, Arrow has agreed to use its best endeavours to fund, by way of an unsecured, interest-free shareholder loan, \$2.5 million of exploration expenditure funding for the Simandou North Iron Project within 24 months from Stage 1 completion (**Expenditure Commitment**), which will be repayable in cash by Amalgamated on or before the date that is 15 years after the date on which any part of the loan is first advanced to Amalgamated or such other date as agreed between Arrow and Amalgamated (**Loan**). The Loan will not be convertible into additional shares in Amalgamated; and
 - If the Expenditure Commitment is satisfied by Arrow and subject to certain conditions precedent, including Arrow obtaining all necessary shareholder approvals, Arrow may purchase a further 27.2% interest in Amalgamated for \$1,000,000, either through the issue of Arrow shares based on a 10-day VWAP or cash, at the sole discretion of Arrow, to receive a controlling 60.5% interest in Amalgamated (**Stage 2**).
- (c) Initial cost of investment in associate

	Cost of Investment \$
Exclusivity Shares ¹	203,125
Facilitator Fee Shares ²	203,125
Stage 1 Consideration Shares ³	2,000,000
	<u>2,406,250</u>

¹Fair value calculated based on 81,250,000 shares issued at \$0.0025 per share (being the share price on date of execution of Term Sheet).

²Fair value calculated based on 81,250,000 shares at \$0.0025 per share (being the share price on date of execution of Term Sheet).

³Fair value calculated based on 500,000,000 shares at \$0.004 per share (being the share price on date of shareholder approval was received to issue the shares).

- (d) Summarised financial information of associate

The tables below provide summarised consolidated financial information for Amalgamated and its wholly owned subsidiary Mineralfields Guinea SARLU (**Mineralfields**). The information disclosed reflects the amounts presented in the financial statements of the associate (in which AMD holds a 33.3% beneficial interest).

	30 Jun 2023	31 Dec 2022
	\$	\$
Summarised statement of financial position as at 30 June 2023:		
ASSETS		
Current Assets		
Cash and cash equivalents	132,602	18,772
Trade and other receivables	18,001	216
Total Current Assets	<u>150,603</u>	<u>18,988</u>
Non-Current Assets		
Exploration and evaluation assets	1,459,242	147,795
Property, plant and equipment	57,075	-
Total Non-Current Assets	<u>1,516,317</u>	<u>147,795</u>
Total Assets	<u>1,666,920</u>	<u>166,783</u>

	30 Jun 2023	31 Dec 2022
	\$	\$
LIABILITIES		
Current Liabilities		
Trade and other payables	164,658	46,406
Total Current Liabilities	164,658	46,406
Non-Current Liabilities		
Loan payable to Arrow Minerals Ltd	1,526,586	156,627
Total Non-Current Liabilities	1,526,586	156,627
Total Liabilities	1,691,244	203,033
NET LIABILITIES	(24,324)	(36,250)

Summarised statement of comprehensive income:

	30 Jun 2023	31 Dec 2022
	(6-months)	
	\$	\$
Revenue	-	-
Expenses	(28,440)	-
Profit/(Loss) before income tax	(28,440)	-
Income tax expense	-	-
Profit/(Loss) after income tax	(28,440)	-
Other comprehensive income	16,515	-
Total comprehensive income	16,515	-
Group's share of comprehensive loss	(3,974)	-

6. RECEIVABLES (NON-CURRENT)

	30 Jun 2023	31 Dec 2022
	(6-months)	
	\$	\$
<i>Loan to Amalgamated (a)</i>		
Balance at beginning of period	156,627	-
Additional loans during the year	1,369,959	156,627
	1,526,586	156,627
Deferred Fair Value Adjustment	(396,499)	-
Balance at end of period	1,130,087	156,627

- (a) As detailed at note 5(b), Arrow has agreed to use its best endeavours to fund, by way of an unsecured, interest-free shareholder loan, \$2.5 million of exploration expenditure funding for the Simandou North Iron Project within 24 months from Stage 1 completion (**Expenditure Commitment**), which will be repayable in cash by Amalgamated on or before the date that is 15 years after the date on which any part of the loan is first advanced to Amalgamated or such other date as agreed between Arrow and Amalgamated (Loan). Loan funds provided to Amalgamated totalled \$1,526,586 at 30 June 2023. The loan facility is interest-free, however Accounting Standard AASB 9 requires an interest component to be imputed, and as a result, a Deferred Fair Value Adjustment of \$396,499 has been calculated. This amount will be expensed on a straight-line basis over the term of the loan. The loan has been discounted using an imputed interest rate of 20% over the directors' expected term of the loan being the period up to 31 December 2024.

7. TRADE AND OTHER PAYABLES

	30 Jun 2023	31 Dec 2022
	\$	\$
Trade creditors and accruals	45,561	157,005
GST and withholding tax payable	1,719	30,114
Payroll liabilities	58,269	59,092
	<u>105,549</u>	<u>246,211</u>

8. RIGHT OF USE LEASE LIABILITIES

	30 Jun 2023	31 Dec 2022
	\$	\$
Current		
Lease liability	14,552	15,566
Non-Current		
Lease liability	-	6,693
Total Current and Non-Current	<u>14,552</u>	<u>22,259</u>

9. OTHER FINANCIAL LIABILITIES

	30 Jun 2023	31 Dec 2022
	\$	\$
Convertible note (a)	982,815	997,306
	<u>982,815</u>	<u>997,306</u>

(a) Convertible Note

As previously disclosed, on 26 August 2020 the Company issued 1,000,000 unsecured convertible notes at A\$1.00 each, raising \$1,000,000 (before costs of \$60,000). The notes have a 48 month Maturity Date, unless converted prior. Conversion can occur at any time up to the Maturity Date, unless redeemed prior through a Change in Control of the Company or by an Event of Default. The Company also holds the right to redeem the convertible notes after 36 months and prior to the Maturity Date. There are no specific financial covenants within the Event of Default, although failure to pay any material amounts under the agreement (e.g. interest) and insolvency are Events of Default. The convertible notes have an interest rate of 8% and allow the holder to convert the \$ amount held (**Outstanding Amount**) into the equivalent amount of shares based on the lower of 0.75 cents per share (being 1.25 times the price of shares issued to the market pursuant to the equity raising on 24 June 2020 (**First Equity Raising**)) and (if lower than 0.6 cents) 1.25 times the price of a subsequent capital raising. The debt instrument contains an embedded forward, being the conversion feature based on the lower of 0.75 cents and 1.25 times the prevailing price of shares (**Subsequent Equity Raising**), resulting in a variable number of shares.

In February 2023, the Company completed an equity raising to raise \$2,695,000 at an issue price of 0.55¢ per share (being the February 2023 Placement referred to at note 10(a)(iv)). In accordance with the terms of the Convertible Note, the undertaking of this placement triggered a re-pricing of the Conversion Price of the Convertible Notes from 0.75¢ (previous conversion price) to 0.6875¢ (revised conversion price).

Key Terms:

Amount Issued 1,000,000 unlisted and unsecured convertible notes of A\$1.00 face value

Maturity Date 48 months after deed date

Interest 8% per annum simple interest until conversion or redemption

Minimum Amount 100,000 notes (or \$100,000)

Conversion The notes convert into Conversion Shares on the following formula:

$$\text{Number of Conversion Shares} = \frac{\text{Amount Converted (\$)*}}{\text{Conversion Price}}$$

** has to be greater than the Minimum Amount*

Conversion Price Means either:

- (i) 1.25 multiplied by the price a Company Share is issued under the First Equity Raising; or
- (ii) 1.25 multiplied by a price a Company Share is issued under a Subsequent Lower Priced Equity Raising (if any).

The financial liability has been accounted for as a derivative financial liability with an embedded derivative feature (the **Embedded Derivative**).

Measurement

The instrument was initially valued as the total fair value of the embedded derivative and host debt contract at issue date, resulting in the following impact to the Financial Statements during the six month period ended 30 June 2023.

	Initial	30 Jun 2023	31 Dec 2022
Valuation		\$	\$
	\$		
Embedded derivative – financial liability at fair value through profit/loss	(6,988)	(6,988)	(2,063)
Host debt contract – financial liability at amortised cost [^]	(933,012)	(975,827)	(995,243)
Total value of Convertible Note in Statement of Financial Position	(940,000)	(982,815)	(997,306)

[^] The host debt contract implicit interest rate is 9.75%.

10. ISSUED CAPITAL

	30 Jun 2023	31 Dec 2022
	\$	\$
Ordinary shares issued and fully paid	51,182,828	48,713,599

(a) Movements in issued capital

	Note	30 June 2023		31 December 2022 (6-months)	
		No.	\$	No.	\$
Balance at beginning of period		2,533,765,094	48,713,599	1,823,931,760	45,957,349
Placement	(i)	-	-	58,333,334	350,000
Exclusivity Consideration Shares	(ii)	-	-	81,250,000	203,125
Facilitator Fee Shares	(ii)	-	-	81,250,000	203,125
Stage 1 Consideration Shares	(ii)	-	-	500,000,000	2,000,000
ESP share buy-back and cancellation	(iii)	-	-	(11,000,000)	-
Placement	(iv)	490,000,002	2,695,000	-	-
Costs of capital raising – cash		-	(95,227)	-	-
Costs of capital raising – share based payment	13(e)	-	(130,544)	-	-
Balance at end of the period		3,023,765,096	51,182,828	2,533,765,094	48,713,599

- (i) In July 2022, the Company completed a non-brokered private placement to qualified sophisticated and professional investors to raise \$350,000 via the issue of 58,333,334 shares in the Company at an issue price of 06¢ per share (**July 2022 Placement**).
- (ii) Refer note 5(c) for details.
- (iii) On 19 August 2022, the Company bought back, for no consideration, 11,000,000 shares previously issued under the ESP in accordance with the terms of the ESP plan.
- (iv) In February 2023, the Company completed a placement to qualified sophisticated and institutional investors to raise \$2,695,000 via the issue of 490,000,002 shares in the Company at an issue price of 0.55¢ per share (**February 2023 Placement**).

11. CONTINGENT ASSETS AND LIABILITIES*Contingent Assets*

There were no contingent assets at 30 June 2023.

Contingent Liabilities

The Group had no contingent assets or liabilities at reporting date.

12. COMMITMENTS**(a) Commitments of Group***Exploration & evaluation commitments – Burkina Faso*

The Group has certain minimum obligations in pursuance of the terms and conditions of tenement licences in the forthcoming year. Whilst these obligations are capable of being varied from time to time, in order to maintain current rights of tenure to mining tenements, the Group will be required to outlay \$195,468 in FY2023. Exploration commitments does not include requirements under earn-in arrangements for tenements held by other entities, as the

Company is not currently obligated to spend under these arrangements, and further commitment to spend is subject to exploration results, the outcome of which is not certain.

The expenditure commitment for the Group for later than 2 years but not later than 5 years is uncertain as the tenements require re-application prior to this date of which the outcome is not certain.

	30 Jun 2023	31 Dec 2022
	\$	\$
Up to 1 year	195,468	231,305
Between 1 and 5 years	174,612	167,353
Later than 5 years	-	-
	370,080	398,658

Expenditure Commitment – Guinea

Pursuant to the terms of the Definitive Agreement, in order to move to Stage 2 (whereby Arrow may purchase a further 27.2% interest in Amalgamated), Arrow must first satisfy \$2,500,000 of exploration expenditure funding for the Simandou North Iron Project within 24 months from date of completion of the Stage 1 (being the Expenditure Commitment). Refer note 12(b) for details. Noting that \$1,526,586 of the Expenditure Commitment has been satisfied at 30 June 2023 (refer note 13), the remaining commitment to 31 December 2024 is \$973,414.

(b) Commitments of Associate

Exploration & evaluation commitments – Guinea

Mineralfields has minimum expenditure obligations in respect of the Simandou North Iron Project permit. Whilst these obligations are capable of being varied from time to time, in order to maintain current rights of tenure under the permit, Mineralfields will be required to spend the following.

	30 Jun 2023	31 Dec 2022
	\$	\$
Up to 1 year	3,511,536	-
Between 1 and 5 years	-	4,694,491
Later than 5 years	-	-
	3,511,536	4,694,491

13. SHARE-BASED PAYMENTS EXPENSE

(a) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	30 Jun 2023	31 Dec 2022
	\$	\$
Options – Directors (b)	46,888	29,706
Options – Employee Securities Incentive Plan (ESIP) (c)	10,836	13,711
Performance Rights – Directors (d)	12,351	6,917
Shares – Employee Share Plan	-	1,739
	70,075	52,073

Share-based payments are provided to Directors, consultants and other advisors.

The issue to each individual Director, consultant or advisor is controlled by the Board and the ASX Listing Rules. Terms and conditions of the payments, including the grant date, vesting date, exercise price and expiry date are determined by the Board, subject to shareholder approval where required.

(b) Options – Directors

During the period to 31 December 2022, the Company issued the following securities:

- 40,000,000 unlisted options with an exercise price of 0.6¢ expiring 5 August 2025 were issued to Directors (or their nominee) (**Director A Options**); and
- 5,000,000 unlisted options with an exercise price of 0.7¢ expiring 24 October 2025 were issued to Directors (or their nominee) (**Director B Options**).

These securities were valued by applying a Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The following table details the inputs to the valuations for each option class:

	<u>Director A Options</u>	<u>Director B Options</u>
Dividend yield (%)	Nil	Nil
Expected volatility (%)	100%	100%
Risk free interest rate (%)	3.27%	3.27%
Exercise price (\$)	0.6¢	0.7¢
Marketability discount (%)	Nil	Nil
Expected life of options (years)	2.68	2.90
Share price at grant date (\$)	0.4¢	0.4¢
Value per option (\$)	0.21¢	0.2¢

(c) Employee Securities Incentive Plan (ESIP)

Relates to securities issued to employees pursuant to the Company's Employee Securities Incentive Plan (**ESIP**). The ESIP was approved by shareholders on 11 November 2019.

During the period to 31 December 2022, the Company issued the following securities:

- 9,900,000 unlisted options with an exercise price of \$0.006 expiring 5 August 2025 employees pursuant to the shareholder-approved Employee Securities Incentive Plan (**ESIP**) (**ESIP Options**).

These securities were valued by applying a Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The following table details the inputs to the valuations for each option class:

	<u>ESIP Options</u>
Dividend yield (%)	Nil
Expected volatility (%)	100%
Risk free interest rate (%)	3.08%
Exercise price (\$)	0.6¢
Marketability discount (%)	Nil
Expected life of options (years)	3
Share price at grant date (\$)	0.4¢
Value per option (\$)	0.22¢

(d) Performance Rights

During the period to 31 December 2022, the Company issued a total of 96,000,000 performance rights to Directors (or their nominees), as follows:

Performance Rights	No.	Expiry Date	Performance Milestone Deadline	Performance Milestone
Tranche 1	32,000,000	31 December 2026	31 December 2024	Release of an ASX announcement confirming a JORC compliant resource equal to or in excess of 50Mt at no lower than 60% Fe by 31 December 2024
Tranche 2	32,000,000	31 December 2026	31 December 2025	Release of an ASX announcement of a positive Scoping Study that recommends moving to pre-feasibility study (PFS) by 31 December 2025
Tranche 3	32,000,000	31 December 2026	31 December 2025	AMD's share price (calculated at the 5-day VWAP) exceeding five (5) times the 30-day VWAP (calculated at 24 October 2022) (Share Price Hurdle) over a consecutive 20-day period (trading days) by 31 December 2025. Based on a calculation date of 24 October 2022, the Share Price Hurdle has been determined to be \$0.026.

The Tranche 1 and Tranche 2 performance rights (with non-market performance milestone) were valued using a probability-based valuation methodology with reference to the share price at grant date. The fair value of each Tranche 1 and Tranche 2 performance right is 0.4¢ (being share price on date of grant).

The Tranche 3 performance rights (with market performance milestone) were valued using the Hoadleys Hybrid Model (a Monte Carlo simulation model) prepared by an independent valuer. Based on valuation inputs and assumptions (as detailed in the Company's Notice of AGM for the meeting held 30 November 2022), the fair value of each Tranche 3 performance right was determined to be 0.29¢.

(e) Options – Brokers and Advisors

During the period to 30 June 2023, the Company issued the following securities:

- 40,000,000 unlisted options with an exercise price of 0.7¢ expiring 22 February 2026 were issued to Advisors (or their nominee) (**Advisor Options**); and
- 39,393,939 unlisted options with an exercise price of 0.825¢ expiring 22 February 2024 were issued to Brokers (or their nominee) (**Broker Options**).

These securities were valued by applying a Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The valuation of \$130,544 has been recorded through equity (costs of capital raising). The following table details the inputs to the valuations for each option class:

	Advisor Options	Broker Options
Dividend yield (%)	Nil	Nil
Expected volatility (%)	100%	100%
Risk free interest rate (%)	2.99%	3.57%
Exercise price (\$)	0.7¢	0.825¢
Marketability discount (%)	Nil	Nil
Expected life of options (years)	2.97	1.14
Share price at grant date (\$)	0.45¢	0.4¢
Value per option (\$)	0.24¢	0.09¢

14. OPERATING SEGMENTS

The Group operates in two segments, being mineral exploration, and evaluation in Western Australia and West Africa. The Company is domiciled in Australia. Segment revenues are allocated based on the country in which revenue was earned. Segment assets are allocated to the country where the assets are located.

	Australia	West Africa	Consolidated
	\$	\$	\$
Six months ended 30 June 2023			
Other income	6,179	-	6,179
Total segment revenue	<u>6,179</u>	<u>-</u>	<u>6,179</u>
Total comprehensive (loss) from continuing operations before tax	<u>(426,571)</u>	<u>(230,701)</u>	<u>(657,272)</u>
As at 30 June 2023			
Segment assets	2,696,463	2,503,698	5,200,161
Total assets of the Group			<u><u>5,200,161</u></u>
Segment liabilities	1,056,425	46,491	1,102,916
Total liabilities of the Group			<u><u>1,102,916</u></u>
Six months ended 31 December 2022			
Other income	663,881	-	663,881
Total segment revenue	<u>663,881</u>	<u>-</u>	<u>663,881</u>
Total comprehensive (loss) from continuing operations before tax	<u>211,477</u>	<u>(8,554,152)</u>	<u>(8,342,675)</u>
As at 31 December 2022			
Segment assets	1,133,902	2,514,324	3,648,226
Total assets of the Group			<u><u>3,648,226</u></u>
Segment liabilities	1,213,508	52,268	1,265,776
Total liabilities of the Group			<u><u>1,265,776</u></u>

15. FINANCIAL RISK MANAGEMENT

Risk management activities

The risk management activities are consistent with those disclosed in the FY22 Annual Report.

Financial instruments

Financial instruments held by the Group include cash and cash equivalents, trade and other receivables, lease liabilities, trade and other payables, and convertible note liability, the balances of which at 30 June 2023 and 31 December 2022 are shown in the statement of financial position. As at the balance date, their fair values are approximately the same as their carrying values.

Fair value hierarchy

AASB 13: Fair Value Measurement requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs)

The Group's convertible notes embedded derivative component is not traded on an active market. The fair value is based on significant observable inputs (level 3) at the end of the reporting period. These instruments are included in level 3. The significant observable inputs used includes the historical volatility rate and interest rate.

The fair value of the Group's receivables is determined by discounting future cashflows using a current market interest rate of 20%, which incorporates an appropriate adjustment for credit risk (refer note 6). These instruments are included in level 3.

The fair value of the Group's contingent consideration is measured using management's weighted probability of performance milestones being achieved (refer note 13(d) for performance milestones attaching the Performance Rights). These instruments are included in level 3.

16. RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

Related party transactions

As noted in the FY22 Annual Report, the Group disclosed transactions with Mitchell River Group Pty Ltd (a related party of Mr Tabcart) and GenGold Resource Capital Pty Ltd (a related party of Mr McKeith). The relationships remained and transactions continued throughout the period, and there has been no significant change in the nature of these transactions.

Key Management Personnel

The Key Management Personnel (KMP) of the Group comprise all Directors (Executive and Non-Executive) who have authority and responsibility for planning, directing and controlling the activities of the Group.

There have been no other changes to KMP during the period.

Remuneration

Mr Bresser's executive services are provided pursuant to a consultancy agreement between Milagro Ventures Pty Ltd and the Company. Consulting fees pursuant to this agreement are \$264,000 per annum.

There have been no other significant changes to remuneration arrangements with KMP during the period.

Securities issued to Directors

No securities were issued to Directors (or their nominees) as part of remuneration packages during the period.

17. SUBSEQUENT EVENTS

On 7 August 2023, the Company announced that it had entered into a binding option and earn-in agreement with Raiden Resources Limited for the sale of Arrow's lithium-caesium-tantalum mineral rights in tenements E47/3476 and E47/3478 located in the Pilbara, Western Australia.

On 22 August 2023, a total of 37,500,000 options at \$0.0145 expired without exercise or conversion.

On 26 August 2023, 69,682,300 performance rights (Class B) expired without exercise or conversion.

On 30 August 2023, the Company announced it had executed a binding term sheet to acquire the remaining 39.5% interest in Amalgamated Minerals Pte Ltd. This new agreement provides a mechanism by which the Company can advance to a 100% interest in the Simandou North Iron Project.

No other matters or circumstances have arisen since 30 June 2023 which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

(a) The financial statements and notes of the Group for the half-year ended 30 June 2023 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, International Financial Reporting Standard, IAS 34 Interim Financial Reporting and the Corporations Regulations 2001, and other mandatory professional reporting requirements.

(b) Subject to the matters set out in Note 1(c), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board



Mr Hugh Bresser
Managing Director

Perth, 13 September 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Arrow Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Arrow Minerals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Arrow Minerals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
13 September 2023



B G McVeigh
Partner