ARROW MINERALS

ASX: AMD

22 July 2019

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2019

JUNE QUARTER HIGHLIGHTS:

Boromo Gold Acquisition

- Arrow to **acquire 100% of Boromo Gold Limited** in an all-scrip transaction worth $2.9 million
- Boromo owns **6 exploration projects in Burkina Faso**, West Africa, with drill targets already identified at multiple projects with the potential for significant gold discoveries
- 2,500m **RC drilling programme at Divole East currently underway**, where historic drilling has intersected **10m @ 4.3g/t Au** (from 48 metres)

Strickland Gold Project

- **1,768m drilling programme completed** at the Helsinki Prospect with the majority of drill holes intersecting gold mineralisation, including **6m @ 1.1g/t from 11m** (STKAC0100)
- Five rock samples collected with a sheared **felsic rock returning a gold result of 15.4g/t Au**

Corporate

- **$2.0 million placement committed** to fund exploration in Burkina Faso and Western Australia
- Prominent **mining executives with significant West African exploration experience** to join Arrow's Board and Management

ACQUISITION OF BOROMO GOLD LIMITED

During the quarter, Arrow announced it had entered into a binding agreement to acquire privately-owned Burkina Faso exploration company, Boromo Gold Limited (**Boromo**), via an all-scrip transaction (**Acquisition**). Boromo owns a 100% interest in six high quality gold exploration projects, totalling 2,013km^2, in Burkina Faso, with drill-ready targets at Divole East and Divole West. Following the end of the quarter, Boromo completed a 2,500m reverse circulation (**RC**) drilling programme at Divole East, where previous drilling by Boromo intersected 10m @ 4.3g/t Au from 48m. Results from the drilling programme are expected to be announced in late-August 2019.

Burkina Faso Gold Projects

The West African Craton is an area of 4.5 million km^2, extending across 14 countries in western Africa, which hosts significant gold resources, most often in orogenic deposits related to secondary structures. In the southern portion of the West African Craton, Birimian greenstone belts contain almost 20% of global gold resources and is the largest Paleoproterozoic gold-producing region.

Birimian Greenstone Belts host the majority of gold deposits in Burkina Faso, Côte d'Ivoire, Ghana, Guinea, Mali and Senegal, with over 300Moz of resources discovered. Burkina Faso has known gold endowment of +60Moz (***Figure 1***), with the majority of gold discoveries made in the past 15 years.

Capital Structure		***Board and Management***	
ASX Code:	AMD	Dr Frazer Tabeart	Non-Executive Chairman
Share price (19/07/2019):	1.2¢	Nicholas Ong	Non-Executive Director
Shares on issue (AMD):	371.5m	Steven Michael	Managing Director
Options on issue (AMDOA):	120.9m	Matthew Foy	Company Secretary

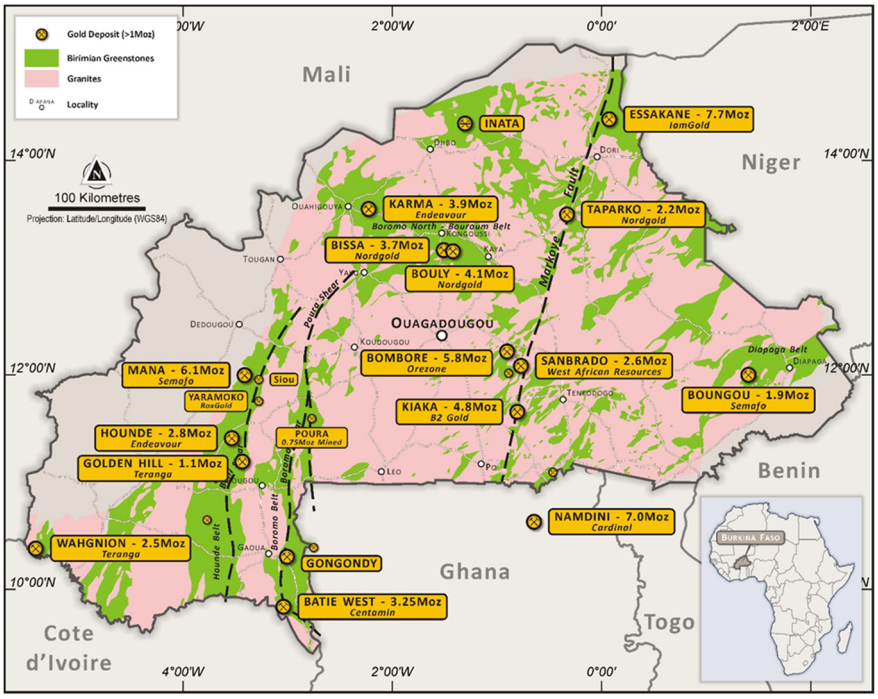

Figure 1: Major gold deposits in Burkina Faso

Boromo holds a 100% interest in 12 exploration licences and two exploration licence applications, totalling 2,013km^2, across six gold projects in Burkina Faso (***Figure 2***). The most advanced projects are Divole East and Divole West, where target generation and first pass drilling has been completed.

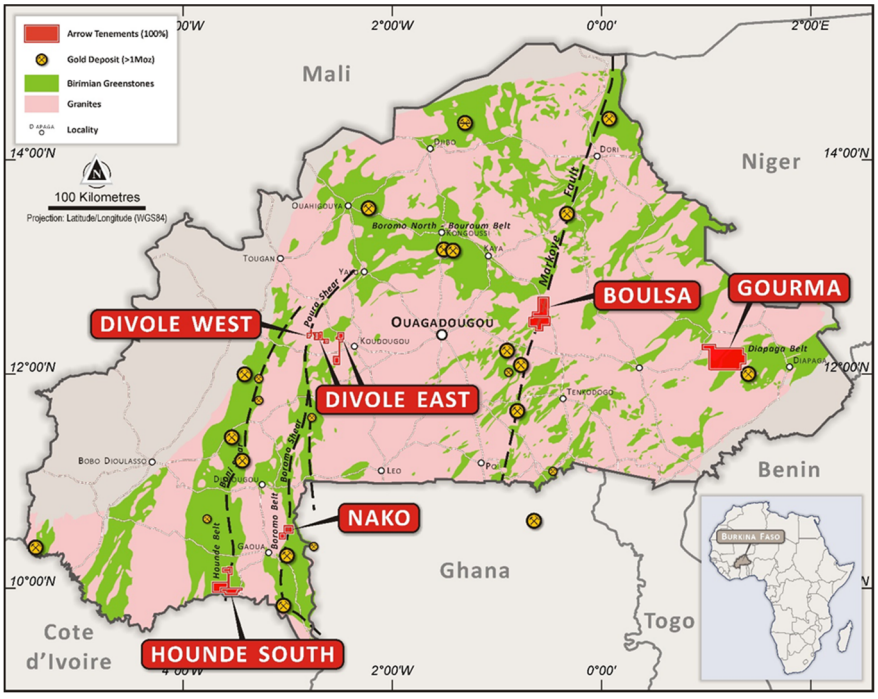

Figure 2: Boromo gold exploration projects – location map

Divole East Project

The Divole East Project consists of 28km^2 of tenements located on the Boromo-Poura Shear Zone. The Boromo Belt hosts several major gold deposits, including the historic Poura gold mine which produced 0.75Moz of gold at an average grade of ~15g/t Au. The Divole East Project was acquired by Boromo due to its favourable geological setting on the Boromo-Poura Shear Zone and significant gold mineralisation identified in artisanal workings.

Boromo completed a detailed regolith map of the Divole East lease areas which was used to guide initial geochemical exploration. Areas amenable to soil sampling were sampled over parts of the Divole East project and shallow auger drilling was completed in areas with transported cover to augment soil geochemistry information.

Soil samples were collected initially on 400m x 40m spacing over amenable areas, with infill to 200m x 40m spacing undertaken in the gold anomalous zones. The most significant gold anomalies were located along the western edge of the project, coincident with artisanal workings, and the eastern half of the Divole East fold structure (***Figure 3***).

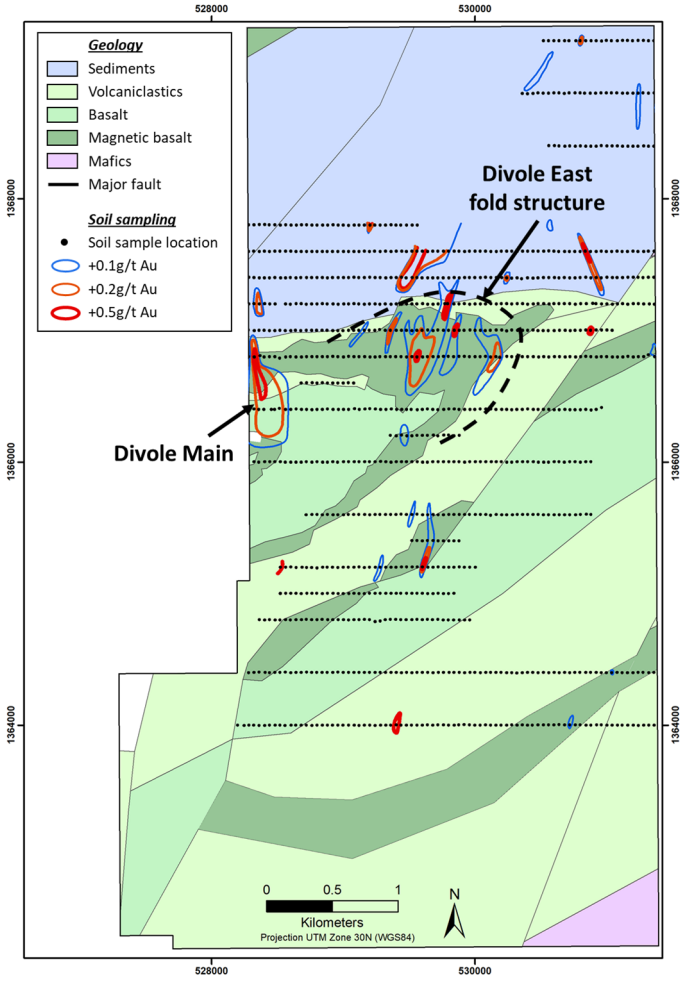

Figure 3: Divole East simplified geology map and geochemical sampling results

In March 2017, Boromo completed 10 diamond drill holes (total of 1,962m) on 160m spaced sections to test the significance of gold mineralisation associated with the Divole Main artisanal workings (***Figure 4***). Gold mineralisation (+1g/t Au) was intersected in eight of the drill holes, with mineralisation associated with a shear zone which may intersect the main north-south structure mined in the artisanal site at the southern end of the workings.

Better drill intersections include:

- DDH002 – **9.9m at 4.3g/t Au** from 48m in highly altered silicified rocks, including **1.0m @ 29.2g/t Au** from 52m and **1.0m @ 8.3g/t Au** from 56.9m;
- DDH003 – 7.5m @ 1.6g/t Au from 65m, including **0.8m @ 7.8g/t** Au from 70.0m;
- DDH006 – **0.9m @ 2.1g/t Au** from 102.2m and 10.6m @ 1.2g/t Au from 120.8m; and
- DDH010 – 10m @ 0.7g/t Au from 71m and **8m @ 1.7g/t Au** from 125m.

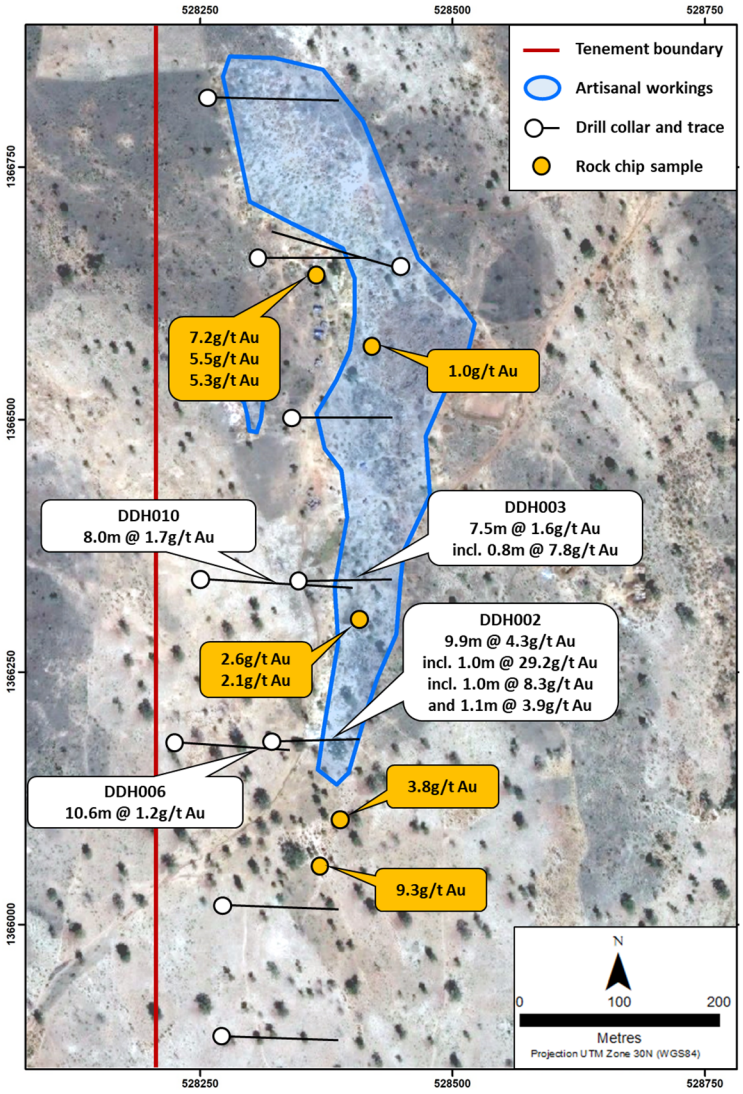

Figure 4: Diamond drilling locations at Divole Main Prospect

Figure 5: Core from DDH-02, 48-58m depth averaging 4.3g/t Au

A magnetic high domain was identified in the regional aeromagnetic data in the vicinity of the artisanal gold workings at Divole East. In early 2017, an 8km^2 ground magnetic survey on 20m spaced E-W lines was undertaken to cover this regional magnetic anomaly. The survey highlighted an ENE-striking regional fold structure defined by a magnetite-rich pillow basalt unit which extends across most of the Divole East tenement and appears to plunge gently to the ENE.

On the southern limb of the Divole East fold structure, a distinctly laminated quartz vein at least 180m long and extending under concealment to the north and south has been mapped and examined from artisanal workings. This laminated vein style is commonly associated with very high-grade mineralisation, as evidenced at Roxgold Inc.'s (TSE: ROXG) Yaramoko deposit, 90km south-west of Divole, that hosts a laminated vein grading >16g/t Au[1].

An RC drill campaign is in progress to follow up high grade results on the eastern edge of the licence as well as to test N-S structures and laminated veins in the Divole East fold structure. The 2,500m drill programme comprises 27 planned holes of approximately 90m depth (***Figure 6***). Drilling commenced in mid-June 2019 and the results are expected in late-August 2019.

[1] Source: Roxgold Inc. website (https://www.roxgold.com/operations-and-projects/yaramoko/default.aspx)

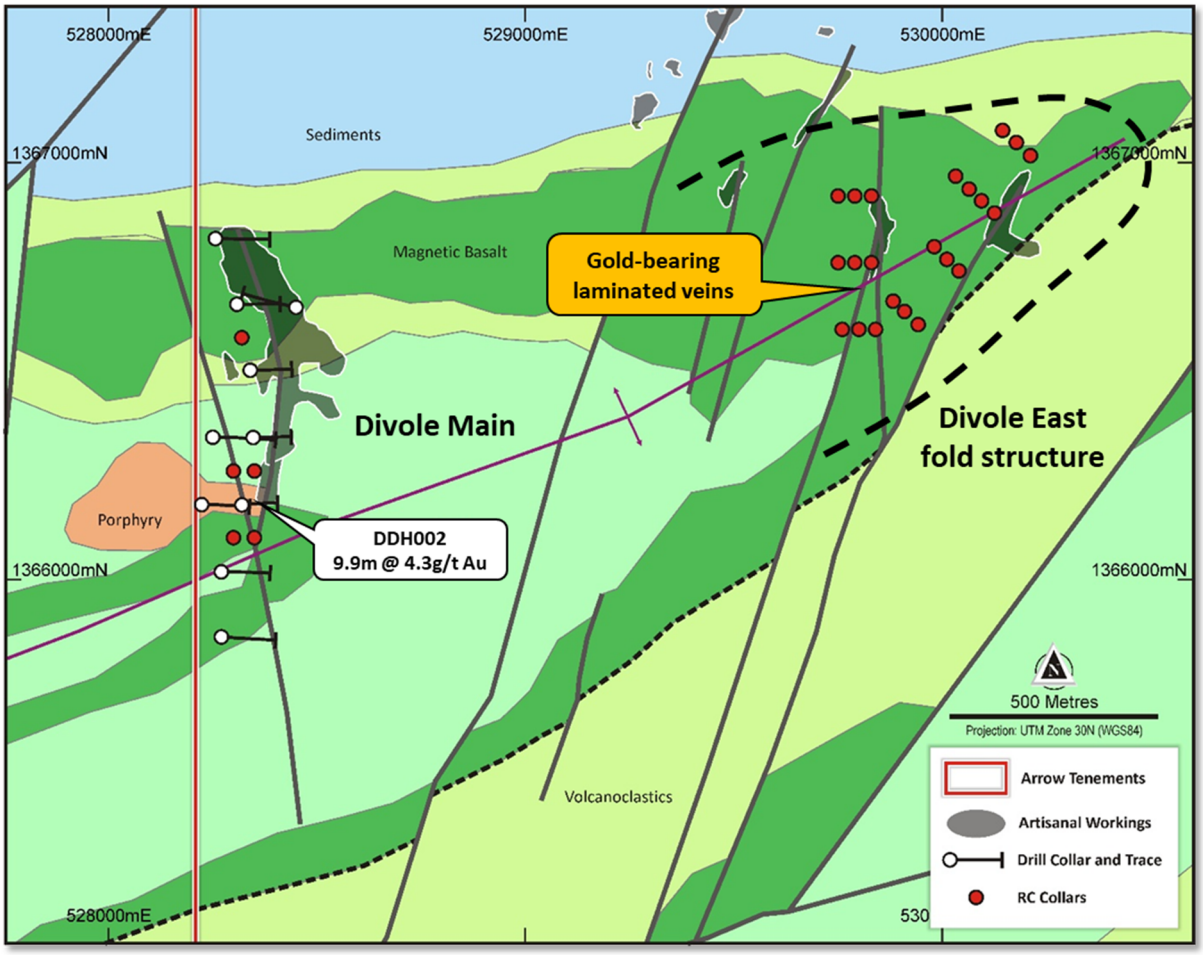

Figure 6: Divole East fold structure detailed geology, structure and artisanal workings with 2017 diamond drilling and proposed RC drill collars

Divole West Project

Targeting work by Boromo highlighted the regional Boromo-Poura Shear Zone interpreted along the western flank of the Boromo greenstone belt, and a distinct strike change from N-S to NNE evident in the Divole West area. Regional magnetic data suggested the presence of unmapped greenstone belt stratigraphy in this favourable structural setting.

Boromo completed initial field work in early 2017, with a surface and auger geochemical approach used to confirm the geological interpretation and identify geochemically "live" structures in the project area.

Initial soil sampling on 800m x 80m east-west lines was undertaken in December 2017 (***Figure 9***), with a coherent 3km long NNE-striking gold anomaly identified parallel to and just east of the interpreted position of the Poura Shear Zone. Subsequent infill sampling on 200m x 40m lines confirmed a strong coherent gold-in-soil anomaly with values up to 400ppb Au (0.4g/t Au). Between the two soil highs is a topographic low representing a palaeo-drainage area where soil sampling is unlikely to provide an effective test and aircore drilling is required to test areas of thicker transported cover.

An auger drilling programme at 200m x 40m spacing was completed in March 2018 with a total of 164 holes drilled for 1,064m (average depth 6.5m). Assay results have confirmed the discovery of a previously unknown gold mineralised system with over 2km of strike (***Figure 10***).

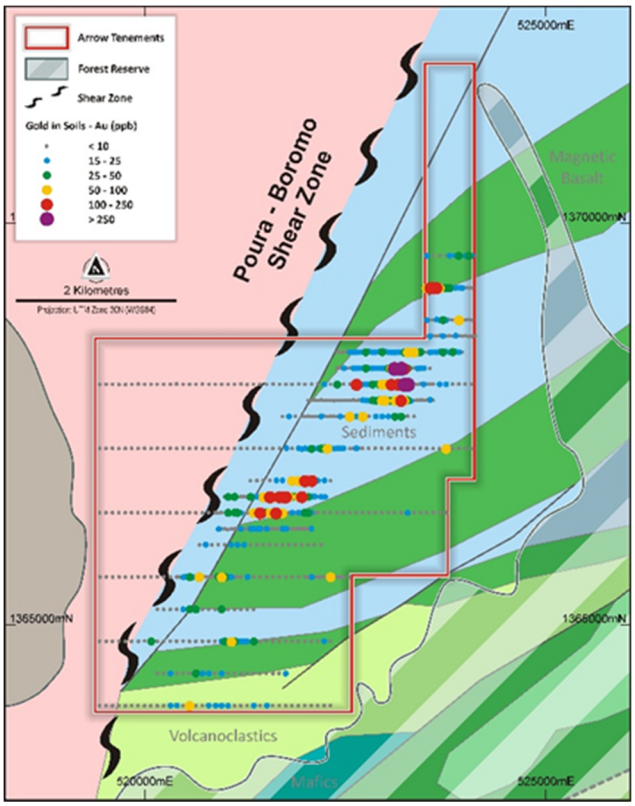

Figure 7: Divole West Regional geology and structure with soil sampling result

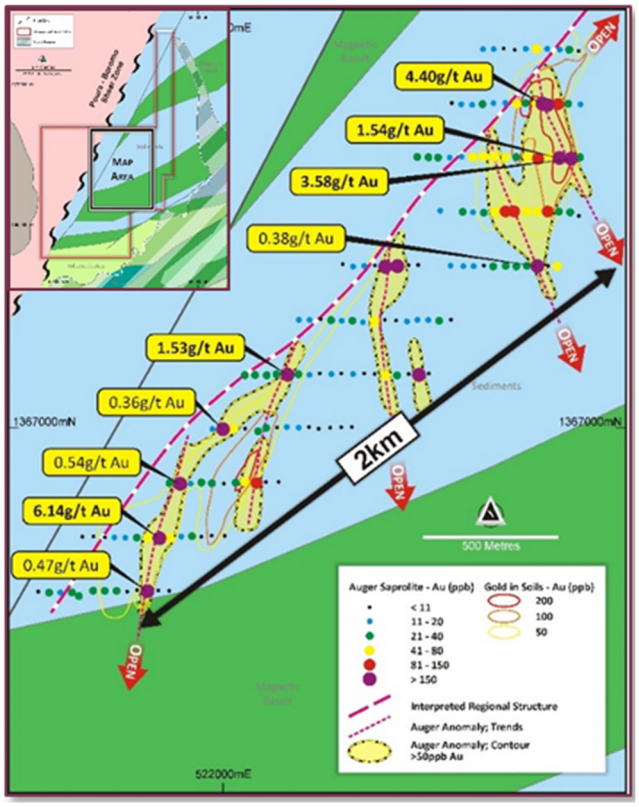

Figure 8: Divole West geology and significant auger drilling results

Auger sample assays up to **6,140ppb Au (6.1g/t Au)** in hole DIVWAUG0038 were received over the southern lobe of the soil anomaly. Assays from holes over the northern lobe of the soil anomaly returned values up to **4,398ppb Au (4.4g/t Au)** associated with quartz veined saprolite in hole DIVWAUG005 and **3,579ppb Au (3.6g/t Au)** in hole DIVWAUG142. The auger drilling results suggest an array of northerly trending mineralised structures off the main NE-NNE trending Poura Shear Zone.

A 2,500m RC drilling programme is planned for 4Q 2019 at Divole West to test the high-grade auger results along the 2km anomalous zone on structures east of the Boromo-Poura Shear Zone.

Details of Boromo Acquisition

Boromo's largest shareholder, GenGold Resource Capital Pty Ltd (**GenGold**) has converted 75% of its shareholding in Boromo to Performance Rights (**PR**), demonstrating significant support for the transaction and alignment of value for all shareholders.

Arrow will issue 10 Arrow shares for each Boromo share and 10 Arrow PR for each Boromo PR, valuing Boromo at $2.9 million (excluding PR). The Acquisition is subject to Arrow shareholder approval at a shareholder meeting on 15 August 2019.

Arrow advised it will restructure its Board and Management to add significant West African gold exploration experience, including the appointment of Mr Howard Golden as Chief Executive Officer and Mr Tommy McKeith and Mr Morgan Ball as Non-Executive Directors. Arrow's Managing Director, Mr Steven Michael, will continue as an Executive Director of the Company and Chairman of the Board, Dr Frazer Tabeart, will remain in this position. Current Non-Executive Director, Mr Nicholas Ong, will retire from the Board.

STRICKLAND GOLD PROJECT (AMD 100%)

During the quarter, Arrow announced the results from first pass aircore (**AC**) and stratigraphic drilling programmes at the Helsinki Prospect within the Strickland Gold Project, located 125 kilometres north-west of Kalgoorlie in the Yilgarn Craton of Western Australia (***Figure 9***).

The Helsinki Prospect is a large, high-priority target along a major fault within the Yerilgee Greenstone Belt, that extends over five kilometres of strike and is up to two kilometres wide. The drill programme was designed to test key litho-structural settings associated with anomalous gold-in-soil targets. A total of 55 holes for 1,768m (average depth 32m) were completed, with results providing accurate geological and geochemical data for targeting and ongoing exploration programmes (***Figure 11***).

Drilling at Helsinki has confirmed that a large felsic porphyry is located internal to Banded Iron Formations (**BIF**) and mafic volcanic lithologies. The NNW-trending sheared contact between the porphyry and mafic lithologies forms a major domain boundary associated with gold anomalism which was intersected in multiple drill lines over four kilometres. This boundary is interpreted to be a major mineralised fluid pathway, with significant drill results including:

- 6m @ 1.1g/t Au from 11m (STKAC0100), incl. 3m @ 1.8g/t Au;
- 1m @ 1.3g/t Au from 53m (BARAC0230);
- 2m @ 0.5g/t Au from 33m (BARAC0230); and
- 1m @ 0.4g/t Au from 59m (BARAC0233).

During the drilling campaign, five rock samples were collected from areas of interest, with a sheared felsic rock returning a gold result of **15.4g/t Au** (***Figure 10***). This result confirms the prospectivity of the felsic lithologies to be a source of hydrothermal fluids which have created significant structural pathways for gold-bearing fluid migration.

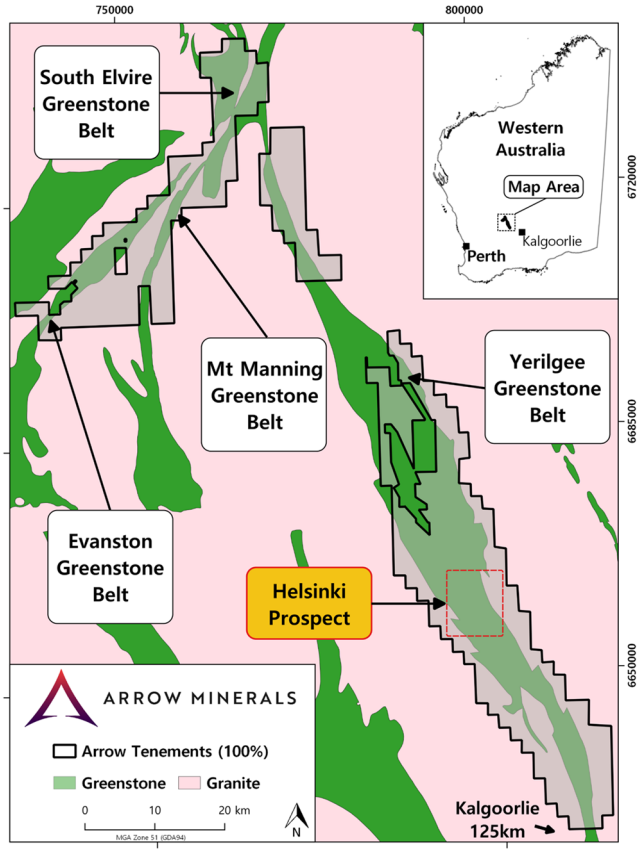

Figure 9 – Strickland Gold Project location map

Figure 10 – Felsic rock chip sample grading 15.4 g/t Au

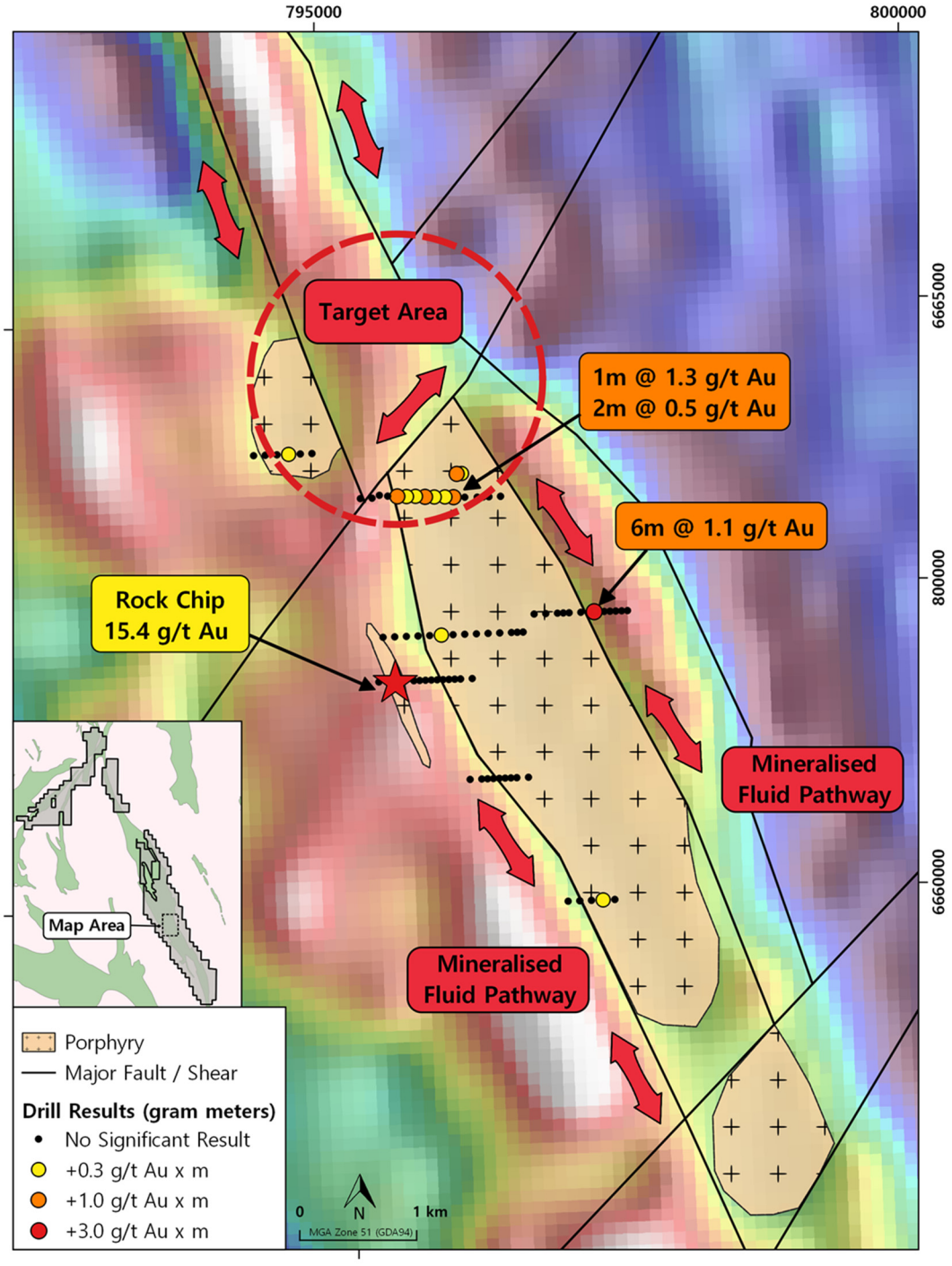

Figure 11 – Simplified geology of the Helsinki Prospect over gravity image (1VD)

Further drilling at Helsinki will be targeted in areas where the margins of NNW-trending structures (major mineralised fluid pathways) and geological contacts intersect NE-NW trending cross cutting faults. A major fault jog (or flexure) at the northern end of the Helsinki porphyry is coincident with NE-NW cross cutting faults and NNW-trending mineralised structures. Fault jogs and cross cutting structures are commonly known to create favourable sites for gold mineralisation in Archean greenstone terrains elsewhere in the Eastern Goldfields and Southern Cross Domain.

Arrow intends to utilise the significant experience of the Boromo technical team, led by Howard Golden, to complete a project-wide review of the work completed to-date at Strickland. The project review is expected to be completed in 3Q 2019.

MALINDA LITHIUM PROJECT (AMD 100%)

Arrow acquired a detailed airborne HyMap hyperspectral survey over the Malinda Lithium Project (***Figure 12***), located 120km north-east of Gascoyne Junction in the Gascoyne Region of Western Australia. The hyperspectral survey data will be used to identify areas prospective for LCT mineralisation, similar to the Malinda Prospect, where rock chips grading up to 3.8% Li_2O and 1,673ppm Ta_2O_5 have been identified.

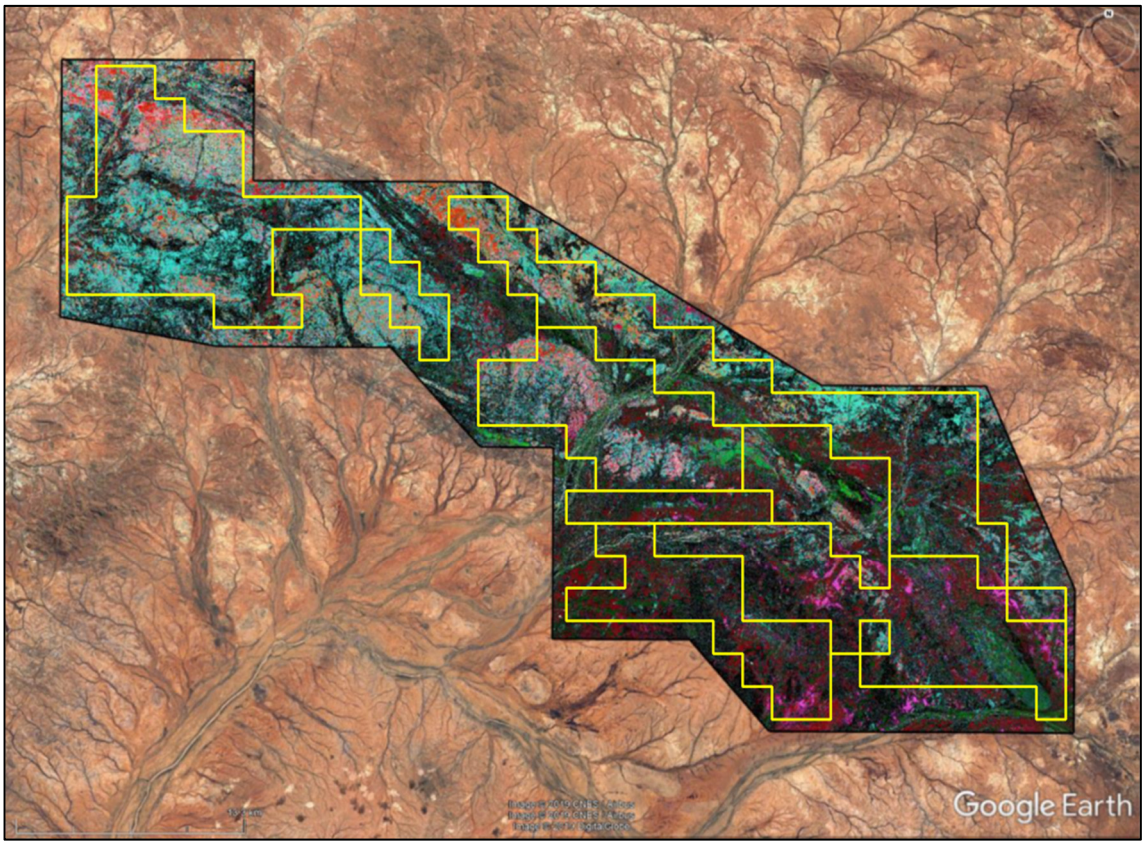

Figure 12 – HyMap mineralogy over topography (Arrow tenements in yellow)

During the quarter, Arrow met the Stage 2 expenditure requirements under the Farm-In and Joint Venture Agreement with Zeus Resources Limited (**Zeus**) (ASX: ZEU) covering exploration licence E09/1618. Upon the expenditure being confirmed by Zeus, Arrow's interest in the tenement will increase from 35% to 50%. Arrow and Zeus will now contribute to exploration on a pro-rata basis or their interest will be diluted.

PLUMRIDGE NICKEL PROJECT (AMD 10%, Independence Group NL 90%)

During the quarter, Arrow advised that its joint venture partner in the Plumridge Nickel Project (**Project**), Independence Group NL (ASX: IGO) (**IGO**), had completed the expenditure requirement to increase its interest in the Project to 90%.

Under the farm-in agreement, IGO had the right to increase its interest in the Project from 51% to 90% through the expenditure of $5 million within four years from 31 January 2018.

IGO met the expenditure requirement at the Project in 17 months by completing:

- Project-wide aircore drilling programmes (3km x 800m spacing);
- SPECTREM airborne electromagnetic (**AEM**) surveys; and
- Ground moving loop EM (**MLEM**) surveys over target areas to define bedrock conductors.

IGO has commenced drilling of four bedrock targets that were identified using the aircore drilling, AEM and MLEM datasets. The targets are considered prospective for Nova-style magmatic sulphide mineralisation (Ni-Cu) and Andromeda-style volcanogenic massive sulphide mineralisation (Cu-Zn).

Difficult ground conditions, including running sands and in-ground water, hampered the RC drilling programme and IGO is now planning to intersect the targets with diamond drilling. In addition to the previously defined Perle and Mafic conductors, recent MLEM surveys have identified the Regal and Meera targets for diamond drilling in 2H 2019 (***Figure 13***).

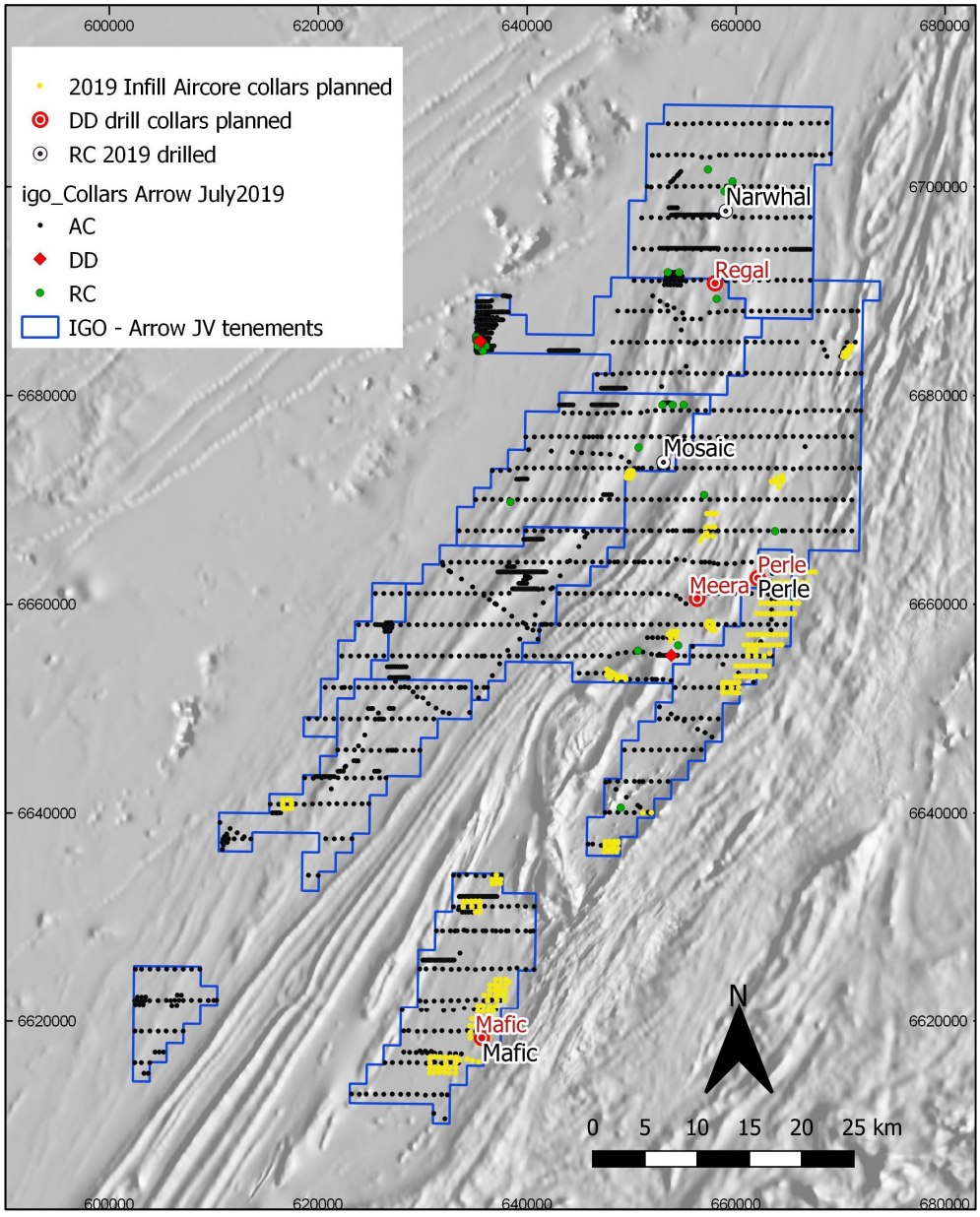

Figure 13 – Drilling completed in 2019 and planned drill holes

IGO has identified 21 new targets from the SPECTREM AEM survey. MLEM surveys and, where necessary, infill aircore drilling will be completed over targets with coincident geochemical anomalism, followed by diamond drilling of conductor plates.

Arrow has a residual 10% interest in the Project and can maintain its interest through contributing pro-rata to the joint venture. If Arrow elects not to contribute to the joint venture, its interest will convert to a 1% net smelter return royalty on all future production from the Project.

CORPORATE AND FINANCIAL

Financial Position

Arrow remains in a strong financial position with $1.3 million in cash, receivables and listed investments, not including the proceeds of the $2 million placement.

$2 Million Placement

On 26 June 2019, Arrow announced that as part of the acquisition of Boromo, it had received commitments from corporate, institutional and professional investors to raise $2.0 million through a two-tranche equity placement at an issue price of 1¢ per share plus a 1 for 2 attaching option (ex. price 2¢, expiry 3 years from issue) (**Placement**).

Coincident with the Placement, Arrow entered into a strategic alliance with Capital Drilling Limited (LON: CAPD) (**Capital Drilling**) who will subscribe for $0.8 million of shares in the Placement (approx. 10% of Arrow post-Placement) and will provide drilling services to Arrow in Burkina Faso over an initial two-year period.

Subsequent to the quarter on 5 July 2019, Arrow advised that it had completed Tranche 1 of the Placement, raising $570,000 through the placement of 57,000,000 shares at an issue price of 1¢ per share. The balance of the Placement is subject to approval at the Company's shareholder meeting due to be held on 15 August 2019.

Capital Structure

During the period Arrow advised that 8,571,408 options exercisable at $0.175 each on or before 30 June 2019 had lapsed.

The current capital structure of Arrow is set out below:

Quoted Securities

Ordinary shares on issue (ASX:AMD)	371,540,609
Quoted options exercisable at 10.0¢ on or before 31/12/2019 (ASX:AMDOA)	120,872,133

Unquoted Securities

Unquoted options exercisable at 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 Dr Frazer Tabeart who is a Member of the Australian Institute of Geoscientists. Dr Tabeart is a Director 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". Dr Tabeart consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Additionally, Dr Tabeart 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 June 2019

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	Granted	100%	0%	100%
E30/503	Granted	100%	0%	100%
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	Granted	0%	100%	100%
Malinda Lithium Project				
E09/1618	Granted	35%	15%[1]	50%
E09/2169	Granted	100%	0%	100%
E09/2170	Granted	100%	0%	100%
E09/2197	Granted	100%	0%	100%
E09/2198	Granted	100%	0%	100%
E09/2283	Application	0%	0%	0%
Plumridge Nickel Project				
E28/1475	Granted	49%	(39)%[2]	10%
E28/2266	Granted	49%	(39)%[2]	10%
E28/2267	Granted	49%	(39)%[2]	10%
E28/2317	Granted	49%	(39)%[2]	10%
E39/1084	Granted	49%	(39)%[2]	10%
E39/1709	Granted	49%	(39)%[2]	10%
E39/1710	Granted	49%	(39)%[2]	10%
E39/1731	Granted	49%	(39)%[2]	10%
E39/2088	Application	0%	0%	0%
E28/2889	Application[3]	0%	0%	0%
E28/2896	Application[3]	0%	0%	0%
E28/2900	Application[3]	0%	0%	0%
E28/2902	Application[3]	0%	0%	0%

1. Subject to confirmation by Zeus.
2. Following IGO meeting the farm-in requirements to increase its interest in the Plumridge Nickel JV to 90%
3. Applications are subject to a ballot.