



ASX SYMBOL: AMD

QUARTERLY ACTIVITIES REPORT PERIOD ENDED 30 JUNE 2022



DIRECTORS / OFFICERS

Frazer Tabcart

Chairman

Hugh Bresser

Managing Director

Tommy McKeith

Non-Executive Director

**Catherine Grant-Edwards
& Melissa Chapman**

Joint Company Secretary

WEBSITE

www.arrowminerals.com.au

Highlights

West African Strategic Focus

- Arrow successfully implemented the Company's strategic plan of securing high-quality opportunities in West Africa with the potential to deliver long-term value to shareholders through the discovery and development of economic mineral deposits.

Simandou North Iron Project, Guinea, West Africa

- Subsequent to quarter end, Arrow entered into a non-binding term sheet to purchase a 60.5% position in the Simandou North Iron Project in Guinea, West Africa.
- Simandou North Iron Project covers the northern extension of the Simandou Range, host to the largest undeveloped high-grade iron ore province in the world.

Strickland Copper Gold Project, Western Australia

- Subsequent to quarter end, Arrow has divested the Strickland Copper Gold Project in Western Australia for \$600,000 staged cash payments and 2,350,000 shares in Dreadnought Resources Ltd.
- Arrow retains exposure to the potential upside through a conditional \$1,000,000 payment on identification of a Mineral Resource of 500,000oz gold equivalent and a 1% NSR Royalty.

During the quarter ended 30 June 2022 Arrow Minerals Limited (ASX: AMD) (**Arrow** or the **Company**) advanced two significant commercial transactions to enhance Arrow's strategic focus on delivering long-term value to shareholders through the discovery and development of economic mineral deposits in West Africa.

This culminated on 13 July 2022 when Arrow announced it has executed a non-binding 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.

Synchronous with the Simandou North Iron Project proposed acquisition, Arrow announced the sale of the Strickland Copper Gold Project to Dreadnought Resources Ltd (ASX:DRE) (**Dreadnought**).

In the coming quarter Arrow will continue to advance the Vranso Project in Burkina Faso and undertake due diligence on the Simandou North Iron Project in Guinea.

SUMMARY OF ACTIVITIES DURING THE JUNE QUARTER

Guinea – Simandou North Iron Project

During the quarter, the Company commenced early due diligence review of the Simandou North Iron Project. The Simandou North Iron Project is an exceptional early-stage iron exploration opportunity that provides Arrow with access to the premium iron belt in West Africa at a time where significant infrastructural improvements are underway.



Figure 1. Location map of Guinean Iron Ore Projects including the Simandou North Iron Project.

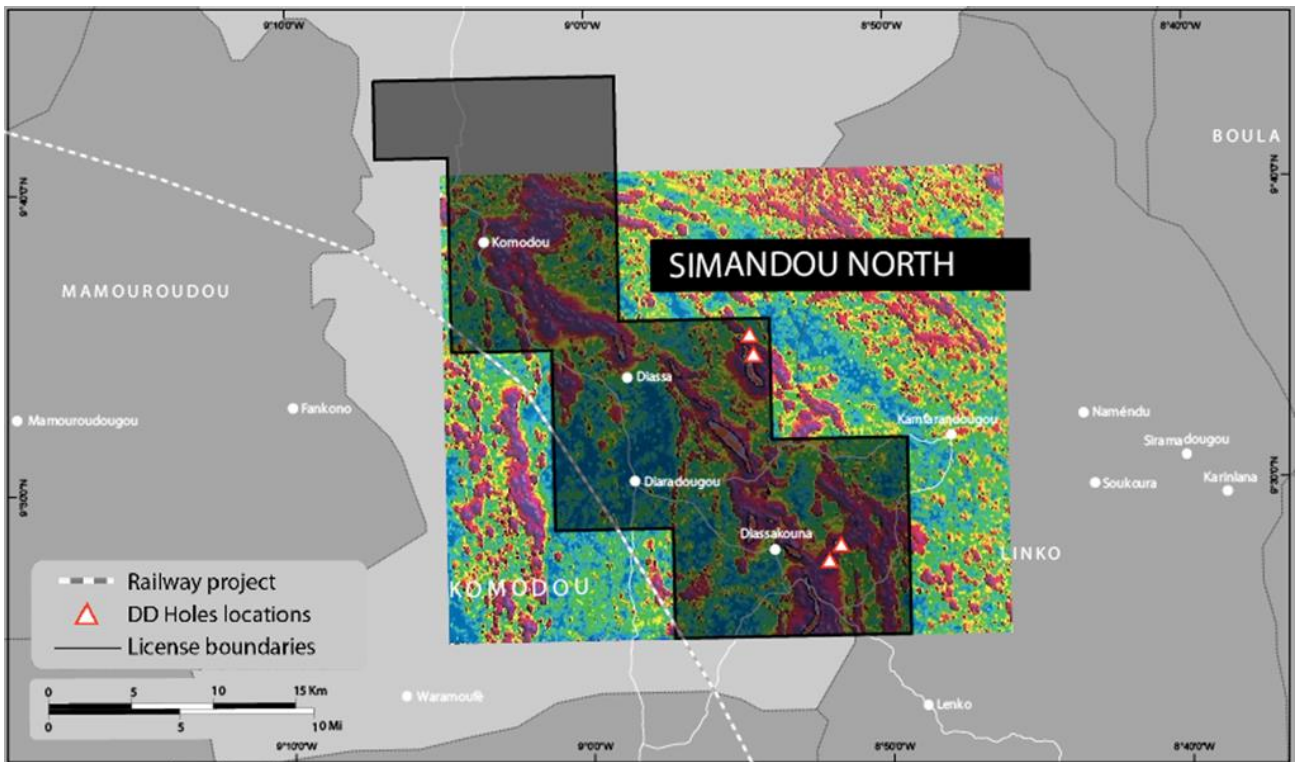


Figure 2. Simandou North Permit map showing airborne magnetic geophysical image and historical drillhole locations within interpreted Simandou Group stratigraphy and proposed rail line route (Datum WGS84-29N).

The Simandou North Iron Project (Figure 1) consists of exploration permit 22967 (Figure 2) which lies at the northern end of the Simandou Range and forms an extension of the stratigraphy that hosts one of the largest undeveloped high-grade iron deposits in the world, including Rio Tinto's Simandou Project with a total measured, indicated and inferred mineral resource estimate of 2 billion tonnes grading 65.5% iron (Rio Tinto Annual Report 2021).

Key indicative terms

It should be noted that the agreement (as announced 13 July 2022) is in the form of a non-binding term sheet. Whilst the parties have entered into this non-binding term sheet willingly and in good faith, there are no guarantees final definitive agreements will be executed or that the Proposed Transaction will proceed.

A summary of key terms upon which Arrow will look to acquire up to a 60.5% interest in Amalgamated under the Proposed Transaction are detailed as follows.

- Arrow will issue 81,250,000 fully paid ordinary Arrow shares for three-month exclusivity option to acquire up to a 60.5% interest in the Simandou North Project through Amalgamated (**Exclusivity Consideration Shares**);
- Subject to satisfactory due diligence and certain conditions precedent, including Arrow obtaining all necessary shareholder approvals, Arrow may purchase a 33.3% interest in Amalgamated from Ropa Investments (Gibraltar) Limited for 500,000,000 fully paid ordinary Arrow shares (**Stage 1**);
- Arrow will look to provide, 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;
- 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**); and
- Arrow and the other Amalgamated shareholders will enter into a shareholders deed to govern, amongst other things, the terms on which future exploration on the Simandou North Iron Project may be progressed and funded.

For additional information please see ASX:AMD announcement 13 July 2022 *Non-Binding Term Sheet to Acquire 60.5% Interest in the Simandou North Iron Project*.

Australia – Strickland Copper Gold Project

During the quarter, the Company continued to implement its strategy to divest its non-core Australian assets.

On 13 July 2022, the Company announced that it had executed a tenement sale and purchase agreement (via its subsidiary) with Dreadnought Resources Ltd (ASX:DRE) (Dreadnought), by which Dreadnought will acquire a 100% interest in the Strickland Copper Gold Project (comprising E16/495, E30/493, E30/494, E77/2403, E77/2416, E77/2432, E77/2634) in Western Australia.

Key Commercial Terms

The key commercial terms agreed by which Dreadnought will acquire a 100% interest in the Strickland Copper Gold Project are outlined as follows:

- Arrow received a \$20,000 cash payment upon signing of the agreement (received in July 2022).
- Arrow will receive \$280,000 cash payment at settlement.
- Dreadnought will issue Arrow 2,350,000 fully paid ordinary shares in Dreadnought at settlement.
- Arrow will receive a further cash payment of \$300,000 by 30 November 2022.
- On the identification and reporting of JORC compliant inferred mineral resource of >500,000oz gold equivalent Dreadnought will pay Arrow \$1,000,000 cash.
- Arrow will retain a total 1% Net Smelter Return royalty in relation to minerals mined by or on behalf of Dreadnought on the Strickland Copper Gold Project.

For additional information please see ASX:AMD announcement 13 July 2022 *Divestment of Strickland Copper Gold Project, W.A.*

This transaction is the second such commercial arrangement that sees Arrow's divesting its non-core Australian assets for a cash transaction whilst retaining exposure to the projects potential upside. The first being the sale of 90% of the Malinda Lithium Project (ASX:AMD announcement 17 March 2022) which completed during the quarter.

Burkina Faso - *Vranso Project*

Kordie Prospect - Soil Geochemistry

Through the June Quarter, Arrow conducted an infill and extension soil sampling program over the soil geochemistry gold anomalism defined at the Kordie Prospect. (**Figure 3**). A total of 1,056 soil samples were collected to increase the soil sampling density to approximately 400m x 50m. This work will allow the company to systematically advance the Kordie Prospect toward a drill ready status. Samples have been dispatched to ALS laboratory in Ouagadougou for analysis by fire assay.

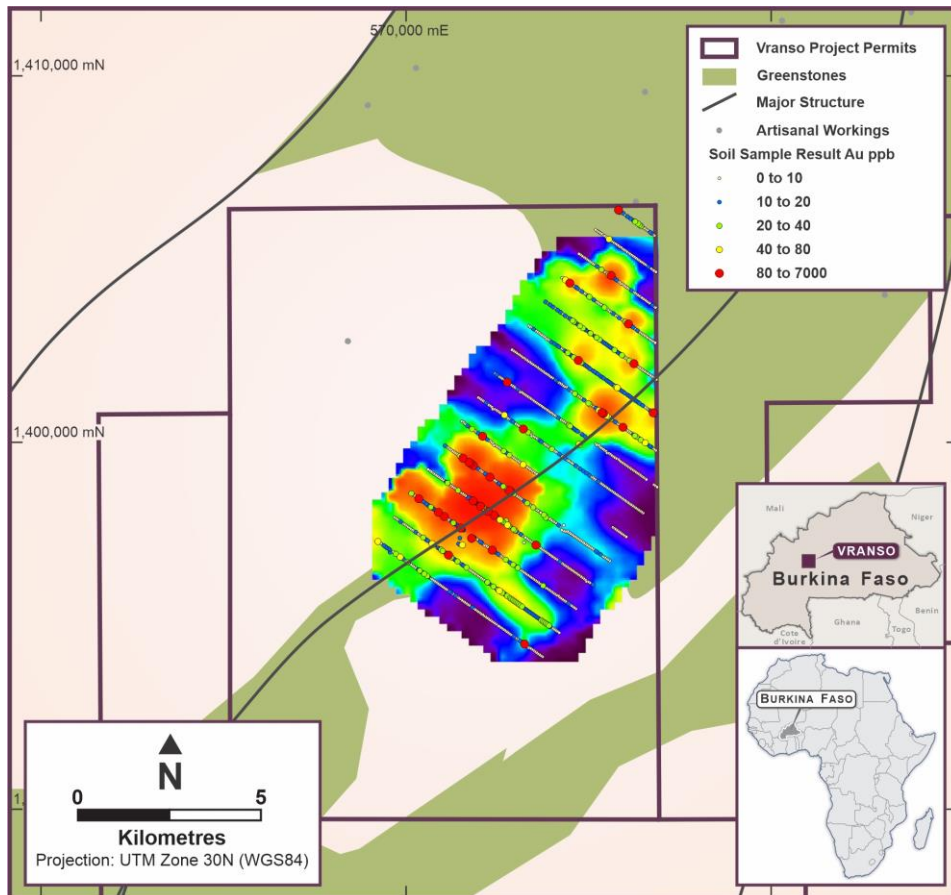


Figure 3. Soil geochemical gold assay results highlighting two anomalous gold bearing structures.

Vranso Project – *Airborne Geophysical Survey*

Arrow engaged New Resolution Geophysics to undertake a 4,300 line km airborne geophysical survey over targeted areas within the Vranso Project during the June Quarter. Data acquisition flight lines were tightened to either 50m or 100m to improve the detail of the magnetic information available for analysis. The data collected is now being processed. It is anticipated final information will be available during August.

This high quality detailed data will allow structural controls associated with gold mineralisation to be interpreted and when combined with surface geochemistry aid in positioning drill holes to test specific anomalous target zones.

Arrow will now focus on delivering long-term value to shareholders through the discovery and development of economic mineral deposits in West Africa.

CORPORATE AND FINANCIAL

Completion of Sale of Malinda Lithium Project

On 17 March 2022, the Company announced it had renegotiated commercial terms with Electrostate Pty Ltd (**Electrostate**) in respect of the Malinda Lithium Project in Western Australia. Under the new binding agreement Electrostate would purchase 90% of Arrow (Malinda) Pty Ltd, the holding company of the Malinda Lithium Project, for total cash consideration of A\$500,000.

A portion of the cash consideration in the form of a non-refundable deposit of A\$100,000 was received in the previous quarter, and the final A\$400,000 was received upon completion on 6 April 2022.

Arrow retains a 10% free-carried interest in Arrow (Malinda) Pty Ltd through to a decision to mine.

Financial Position

As at 30 June 2022 Arrow had \$272,000 in available cash.

Subsequent to quarter end, the Company received \$350,000 in placement funds (refer ASX Announcement 13 July 2022). In relation to its divestment of the Strickland Copper Gold Project to Dreadnought, the Company received \$20,000 on 11 July 2022 (deposit); with \$280,000 to be received upon settlement (anticipated to occur in the next few days); and \$300,000 to be received by 30 November 2022 (refer ASX Announcement 13 July 2022).

Expenditure on Mining Exploration Activities

In accordance with ASX Listing Rule 5.3.1, the Company advises its exploration and evaluation expenditure during the June 2022 quarter totalled \$176,000. This amount is included at Item 2.1(d) of the Appendix 5B and includes \$107,000 on geological consultants and employee costs, \$24,000 on travel and motor vehicle costs; \$13,000 on field and camp costs, \$10,000 on assays and sampling activities, \$2,000 on tenement rents, rates and management; and \$20,000 other costs. Refer to the projects overview commentary above for details of activities conducted during the quarter.

Payments to Related Parties and their Associates

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totalled \$108,257. The Company advises that \$95,700 of this relates to Directors fees. An amount of \$6,166 was paid to Mitchell River Group (a director-related party of Dr Frazer Tabcart) for data analysis. An amount of \$6,391 was paid to GenGold Resource Capital Pty Ltd (a director-related party of Mr Tommy McKeith) for rental of geochemical equipment. These amounts are included at Item 6 of the Appendix 5B.

Capital Structure

There were no movements in securities during the quarter.

The capital structure of Arrow at 30 June 2022 is set out below:

Quoted Securities

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

Unlisted options exercisable at 2.0¢ on or before 22/08/2022	120,150,000
Unlisted options exercisable at 1.25¢ on or before 15/10/2022	10,000,000
Unlisted options exercisable at 1.45¢ on or before 22/08/2023	37,500,000
Unlisted options exercisable at 1.0¢ on or before 11/12/2023	2,850,000
Unlisted options exercisable at 0.9¢ on or before 11/10/2024	4,300,000
Unlisted options exercisable at 0.9¢ on or before 25/11/2024	8,000,000
Unlisted options exercisable at 1.1¢ on or before 25/11/2025	5,000,000
Class B Performance Rights subject to performance conditions (ex. 26/08/2022)	69,682,290
Class C Performance Rights subject to performance conditions (ex. 26/08/2023)	69,682,300
Convertible Notes	1,000,000

Announcement authorised for release by Hugh Bresser, Managing Director of Arrow.

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

Arrow Minerals Limited

Mr Hugh Bresser

Managing Director

E: info@arrowminerals.com.au

JORC Code 2012 Compliance Statement

The technical information contained within this Quarterly Report is extracted from numerous announcements made by Arrow Minerals Ltd. to the ASX which are available to view on www.arrowminerals.com.au. The company confirms that is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

About Arrow Minerals

Arrow Minerals Limited is an exploration and development company focused on delivering long-term shareholder value through the discovery of economic mineral deposits in West Africa. The Company has implemented a systematic science-based exploration philosophy whilst remaining commercially nimble to ensure we capture and retain value.

Arrow is committed to supporting the communities in which we work and their environment.

Appendix A – Schedule of Western Australian Tenements as at 30 June 2022

Tenement ID	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
Strickland Gold Project				
E16/495	Granted	100%	-	100%
E30/493	Granted	100%	-	100%
E30/494	Granted	100%	-	100%
E77/2403	Granted	100%	-	100%
E77/2416	Granted	100%	-	100%
E77/2432	Granted	100%	-	100%
E77/2634	Granted	100%	-	100%
Malinda Lithium Project				
E09/2169	Granted	100%	(90%)	10%
E09/2170	Granted	100%	(90%)	10%
E09/2283	Granted	100%	(90%)	10%

Appendix B – Schedule of Burkina Faso Tenements as at 30 June 2022

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

Appendix 5B

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

Name of entity

ARROW MINERALS LIMITED

ABN

49 112 809 846

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(158)	(647)
(e) administration and corporate costs	(162)	(834)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(20)	(80)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Rental bond refund	-	3
1.9 Net cash from / (used in) operating activities	(340)	(1,558)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(49)
(c) property, plant and equipment	(8)	(21)
(d) exploration & evaluation	(176)	(1,863)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	400	500
	(b) tenements	-	60
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- Stamp duty paid	-	(2)
	- Reimbursement of Malinda Project expenditure from Electrostate	-	56
2.6	Net cash from / (used in) investing activities	216	(1,319)

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	393	3,284
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(340)	(1,558)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	216	(1,319)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(116)
4.5	Effect of movement in exchange rates on cash held	3	(19)
4.6	Cash and cash equivalents at end of period	272	272

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	273	392
5.2	Call deposits	-	-
5.3	Bank overdrafts – credit card	(2)	(1)
5.4	Other (provide details) – cash on hand	1	2
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	272	393

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	96
6.2	Aggregate amount of payments to related parties and their associates included in item 2	12
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p>		
<p>Item 1.2 (d) contains \$13k to Geogen Consulting Pty Ltd for Dr Frazer Tabear's director fees, \$73k to Milagro Ventures Pty Ltd for Mr Hugh Bresser's director fees, and \$10k to other directors on payroll.</p>		
<p>Item 2.1 (d) includes \$6k to Mitchell River Group, a related party of Dr Frazer Tabear and \$6k to Gengold Resource Capital Pty Ltd, a related party of Thomas McKeith. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.</p>		

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

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(340)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(176)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(516)
8.4 Cash and cash equivalents at quarter end (item 4.6)	272
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	272
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.5
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes. Expenditure in the current quarter reported is representative of the Company's current and expected level of net operating cash flows. The Company's planned exploration work for the next quarter will be adjusted based on the quantum of existing funds, receipt of \$350,000 in Placement funds (refer ASX Announcement 13 July 2022) and receipt of funds in relation to the divestment of Strickland Copper Gold Project (refer ASX Announcement 13 July 2022) (\$20,000 received on 11 July 2022; \$280,000 to be received upon settlement; and a further \$300,000 to be received by 30 November 2022), and new funds that may be raised via an equity raising and by continuing to implement its strategy to divest its non-core Australian assets.	

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

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. Subsequent to quarter end, the Company completed a Placement raising \$350,000 (refer ASX Announcement 13 July 2022), and divestment of Strickland Copper Gold Project for \$600,000 to be received in staged cash payments and 2,350,000 shares in Dreadnought Resources Ltd (ASX:DRE) (refer ASX Announcement 13 July 2022). The Company is reviewing funding options including the raising of additional capital through an equity raising and continues to implement its strategy to divest its non-core Australian assets.

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

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

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

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

Compliance statement

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

Date: 29 July 2022

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

Notes

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