



ASX SYMBOL: AMD

QUARTERLY ACTIVITIES REPORT PERIOD ENDED 31 DECEMBER 2022

Highlights

West African Strategic Focus

- Arrow continued to implement the Company's strategic plan to focus on 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

- Completion of Stage 1 of the Definitive Agreement between Arrow Minerals Ltd (Arrow) and Amalgamated Minerals Pte Ltd (Amalgamated) on December 31, 2022 provided Arrow with beneficial rights to an initial 33.3% interest in the Simandou North Iron Project
- Arrow has rights to acquire up to a 60.5% controlling interest in Amalgamated which holds the Simandou North Iron Project
- Five high priority, near surface drill targets extending over 5km in strike length, interpreted as zones of potential haematite enrichment identified by geological mapping and geophysical aeromagnetic responses
- Drilling planned to commence this quarter (Q1 2023)

During the quarter ended 31 December 2022 Arrow Minerals Limited (ASX: AMD) (**Arrow** or the **Company**) and Amalgamated Minerals Pte Ltd (**Amalgamated**) completed Stage 1 of the Definitive Agreement (AMD ASX Announcements 13 July 2022 and 24 October 2022). Arrow now holds an initial 33.3% beneficial interest in Amalgamated Minerals Pte. Ltd (Amalgamated), holder of the Simandou North Iron Project in Guinea, West Africa. Stage 1 of the transaction occurred on 31 December 2022. Pursuant to the terms of the binding agreement executed in October, Arrow can acquire up to a 60.5% controlling interest in the project.



DIRECTORS / OFFICERS

Tommy McKeith
Chairman

Hugh Bresser
Managing Director

Frazer Tabcart
Non-Executive Director

Alwyn Vorster
Non-Executive Director

**Catherine Grant-Edwards &
Melissa Chapman**
Joint Company Secretary

WEBSITE

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Arrow actively engaged with the Community and Guinea Government prior to a significant exploration field season on the Simandou North Iron Project, Guinea. The Company's aim is to deliver long-term value to shareholders through the discovery and development of economic mineral deposits in West Africa.

SUMMARY OF ACTIVITIES DURING THE DECEMBER QUARTER

Guinea – *Simandou North Iron Project*

Subsequent to quarter end, Arrow announced geological mapping and geophysical results that highlighted the distribution of the iron hosting Simandou lithological units and potential haematite enrichment zones within the project area (AMD ASX Announcements 17 and 19 January, 2023).

The initial focus of the mapping program was to examine the zones directly associated with elevated magnetic responses identified in the historical aeromagnetic data (Figure 1.) and to visually verify and determine the distribution of potential high-grade iron zones within the broader stratigraphy on the project area.

The geological map produced by the field team (Figure 2.) highlighted the presence of the full Simandou Range stratigraphic sequence previously detailed by Cope et. al. in 2005 at Rio Tinto's Pic de Fon iron deposit. The team visually identified three lithological units with significant potential to host high-grade iron.

1. Siliceous haematite – the distribution of this unit throughout the project area confirms the potential for significant haematite bodies to occur. Haematite is the most important of the Simandou iron ores.
2. Goethite-haematite – these are two primary iron ore minerals with goethite forming via weathering of haematite. This is considered an important indication of the presence of iron bearing stratigraphy.
3. Canga – a ferruginous laterite consisting of fragments of iron formation cemented with limonite, which is generally proximal to subsurface iron bearing units. Canga can form a valuable ore in its own right.

The above three lithological units described above are based on visual mineral composition estimates made by Arrow Exploration Geologists in the field. The reader is cautioned that no quantitative petrographical analysis has been conducted to verify these lithological descriptions. Further and no inference should be drawn as to the grade associated with each lithological unit as no assays are reported.

The location of the three high potential iron bearing lithologies, Siliceous haematite, Goethite-haematite and Canga, compare favourably with the historical geophysical data and imagery (Figure 2). This spatial association between geology and geophysics adds a level of confidence in the targeting of the iron bearing units in the Simandou North Iron Project.

In parallel to the field mapping program, Arrow secured the raw historical airborne magnetic survey data flown in 2007 by Fugro at no significant cost. The raw data was passed to an independent Australian based geophysical company that specialises in iron exploration, Mira Geoscience (**Mira**), for evaluation and modelling using advanced geophysical software packages including 3D inversion technology.

Five high priority areas within the Simandou North Iron Project area have been identified, each between 5km and 7km in strike length (Figure 3.), that demonstrate modelled responses consistent with areas that have high potential for significant haematite development within the iron bearing lithologies. The zones within the target areas containing lower magnetic susceptibility are interpreted as having high potential for significant haematite development and enrichment.

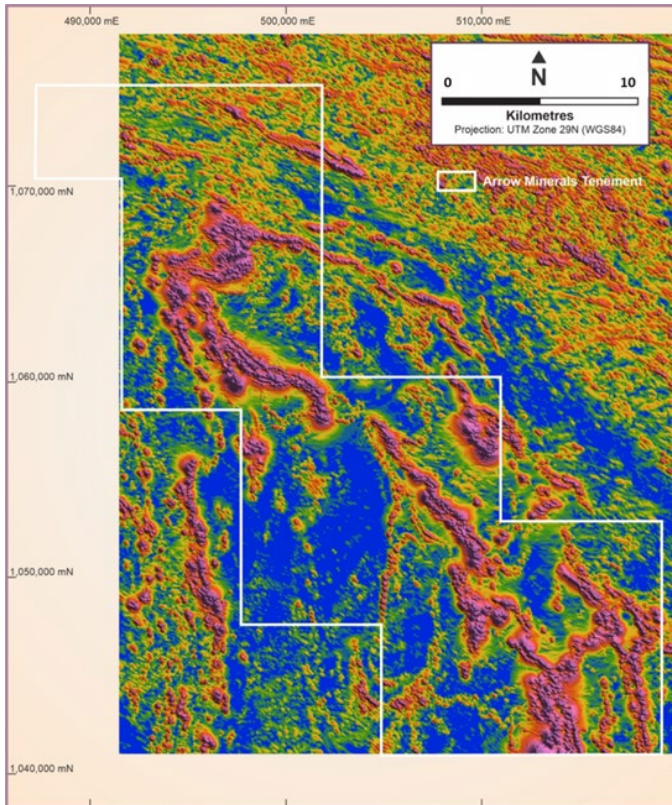


Figure 1. Simandou North Iron Project permit map showing Magnetic Analytical Signal image prepared by Mira Geoscience using the raw geophysical data originally flown by Fugro in 2007. This image highlights the Simandou Group stratigraphy in the project area. (Datum WGS84-29N).

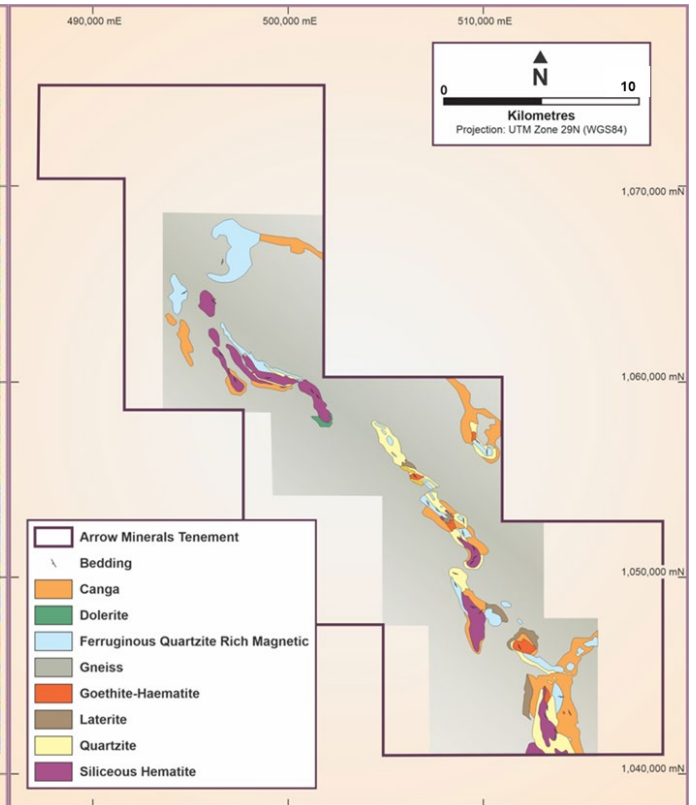


Figure 2. Simandou North Iron Project permit map showing newly mapped area and lithological units, including three high potential iron bearing units, inside the Simandou North Iron Project permit area (Datum WGS84-29N).

Arrow is moving to implement its maiden drilling program at the Simandou North Iron Project (AMD 33.3%) this quarter. The drilling program will contribute towards Arrow earning rights to a 60.5% controlling interest in the project (AMD ASX announcement 24 October 2022). Details of the drill program and commencement of drilling will be announced in due course.

The government of Guinea, Simfer and WCS created La Compagnie du TransGuinée on 27 July 2022, a JV Company to co-develop the megaproject requiring the construction of the 670km "TransGuinean" railway, extending from the Simandou Ranges to Forécariah on the coast where the deep-water port and ship loading infrastructure will be built at Morebaya. This \$US15 billion major capital investment is set to deliver shared purpose infrastructure to the area, expected to be completed by December 2024, enabling commercial production from mines in the area by 2025.

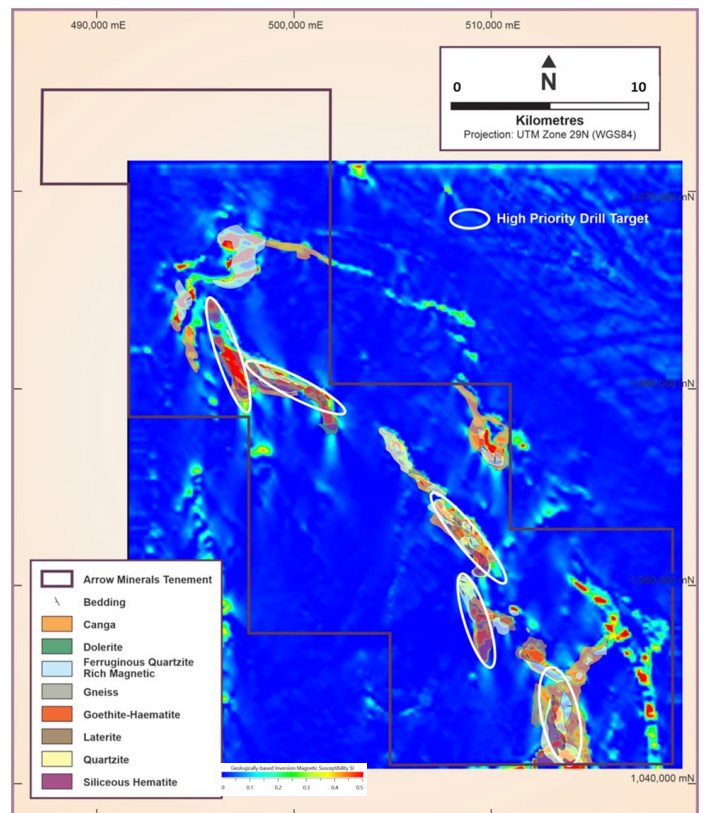


Figure 3. High priority drill targets highlighted on first pass inversion 100m depth slice using modelled BIF domains overlain with mapped surface geology. Highlighting the correlation between geophysical modelling and geological mapping.

On January 5, 2023 a term sheet for the financing, development, construction and operation of the rail and port infrastructure was signed by the partners, including the Guinean government, Rio Tinto, Chinalco, Winning Consortium Simandou and Baowu Group, for the multi-purpose and multi-user infrastructure project.

CORPORATE AND FINANCIAL

Further Cash Payment received pursuant to Divestment of Strickland Copper Gold Project, WA

On 2 December 2022 the Company announced that it had received the Further Cash Payment of \$300,000 in respect of the sale of the 100% interest in the Strickland Gold Project in Western Australia from Dreadnought Resources Ltd (ASX:DRE) (**Dreadnought**) (refer to 13 July 2022 and 2 August 2022 for further information regarding this transaction).

Arrow continues to retain upside exposure to the success of the Strickland Copper Gold project through the terms of the Sale and Purchase Agreement that provides for a \$1,000,000 cash payment upon the identification and reporting of JORC compliant inferred mineral resource of >500,000oz gold equivalent. Arrow also retains a total 1% Net Smelter Return royalty in relation to minerals mined by or on behalf of Dreadnought on the Strickland Copper Gold Project.

Definitive Binding Agreement to Acquire 60.5% in the Simandou North Iron Project and Stage 1 Completion

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. Under the Definitive Agreement, Arrow can 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.

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 (**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.

Corporate Restructure

Effective from 24 October 2022, Tommy McKeith assumed the role of Non-Executive Chairman, Frazer Tabart transitioned to Non-Executive Director, and Alwyn Vorster was appointed to the Board as a Non-Executive Director. Refer ASX Announcement dated 24 October 2022 for further details.

Financial Position

As at 31 December 2022 Arrow had \$583,000 in available cash. The Company also holds a listed investment (subject to escrow until 31 January 2023) with a market value of \$247,000 at quarter end.

Change to Financial Year End

During the quarter, the Board resolved to change the Company's financial year end from 30 June to 31 December (refer ASX Announcement 7 December 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 December 2022 quarter totalled \$70,000 (Burkina Faso). This amount is

included at Item 2.1(d) of the Appendix 5B and includes geological consultants and employee costs (\$56,000), tenement rents, rates and management (\$11,000); and other costs (\$3,000). Refer to the projects overview commentary above for details of activities conducted during the quarter.

Pursuant to the terms of the Definitive Agreement, Arrow has agreed to provide, by way of an unsecured, interest-free shareholder loan to Amalgamated, \$2,500,000 of exploration expenditure funding for the Simandou North Iron Project within 24 months from Stage 1 completion (**Expenditure Commitment**). During the quarter the Company invested \$171,000 in the Simandou North Iron Project under this Expenditure Commitment. This amount is included at Item 2.5(a) of the Appendix 5B.

Administration and Corporate Costs

Item 1.2(e) of the Appendix 5B indicates total payments for administration and corporate costs during the quarter of \$253,000. This amount includes legal costs (\$63,000), travel (\$34,000), marketing and investor relations (\$28,000), listed company compliance costs (\$16,000), consultants (\$31,000), and other administrative costs \$82,000).

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 \$97,383. The Company advises that \$94,600 of this relates to Directors fees. An amount of \$2,783 was paid to Mitchell River Group (a director-related party of Dr Frazer Tabcart) for data analysis. These amounts are included at Item 6 of the Appendix 5B.

Capital Structure

During the quarter, movements in securities were as follows:

- 500,000,000 shares were issued (being the Stage 1 Consideration Shares)
- 40,000,000 unlisted options exercisable at 0.6¢ on or before 05/08/2025 were issued to Directors (or nominees) following receipt of shareholder approval at the AGM
- 5,000,000 unlisted options exercisable at 0.7¢ on or before 24/10/2025 were issued to a Director (or nominee) following receipt of shareholder approval at the AGM
- 10,000,000 unlisted options exercisable at 1.25¢ expired on 15/10/2022
- 96,000,000 performance rights expiring 31/12/2026 were issued to Directors (or nominees) following receipt of shareholder approval at the AGM

The capital structure of Arrow at 31 December 2022 is set out below:

Quoted Securities

Ordinary shares on issue (ASX:AMD)	2,533,765,094
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Unquoted Securities

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 0.6¢ on or before 05/08/2025	49,900,000
Unlisted options exercisable at 0.7¢ on or before 24/10/2025	5,000,000
Unlisted options exercisable at 1.1¢ on or before 25/11/2025	5,000,000
Performance Rights (Class C) subject to performance conditions (ex. 26/08/2023)	69,682,300

Performance Rights subject to performance conditions (ex. 31/12/2026)	96,000,000
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 has a strategy of delivering long-term value to shareholders through the discovery and development of economic mineral deposits in West Africa. Arrow has beneficial rights of 33.3% in the Simandou North Iron Project, Guinea and a clear road map to extend these rights to 60.5% within 24 months. Arrow aims to systematically advance the Simandou North Iron Project over the coming months to identify areas of high-grade iron within the project area and realise the potential value released through the major infrastructural upgrades, rail and port, underway in the region.

Appendix A – Schedule of West African tenement interests as at 31 December 2022

Tenement ID	Country	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter	Note
Simandou North						
Permit 22967	Guinea	Granted	-	33.3%	33.3%	(a)
Divole East & West						
20/193/MMC/SG/DGCM	Burkina Faso	Renewed	100%	-	100%	
20/192/MMC/SG/DGCM	Burkina Faso	Renewed	100%	-	100%	
19/047/MMC/SG/DGCM	Burkina Faso	Granted	100%	-	100%	
20/190/MMC/SG/DGCM	Burkina Faso	Granted	100%	-	100%	
Boulsa						
20/147/MMC/SG/DGCM	Burkina Faso	Granted	100%	-	100%	
Houde South & Nako						
20/084/MMC/SG/DGCM	Burkina Faso	Renewed	100%	-	100%	
20/161/MMC/SG/DGCM	Burkina Faso	Renewed	100%	-	100%	
20/162/MMC/SG/DGCM	Burkina Faso	Renewed	100%	-	100%	

Note:

- (a) Simando North Iron Project (Permit 22967) is owned by Mineralfields Guinea SARL. Mineralfields Guinea SARL is a wholly owned subsidiary of Amalgamated Minerals Pte. Ltd. Arrow holds a 33.3% beneficial interest in Amalgamated Minerals Pte. Ltd.

Appendix 5B

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

Name of entity

ARROW MINERALS LIMITED

ABN

49 112 809 846

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	(108)	(228)
(e) administration and corporate costs	(253)	(542)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	(20)	(40)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	18
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(380)	(790)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(45)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(70)	(337)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	300	600
	(c) property, plant and equipment	-	-
	(d) investments	-	700
	(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)	-	-
	(a) Shareholder Loan to Amalgamated ^(A)	(171)	(171)
2.6	Net cash from / (used in) investing activities	59	747
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	350
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	-	-
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	-	350
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	903	272
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(380)	(790)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	59	747
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	350

Appendix 5B

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	1	4
4.6	Cash and cash equivalents at end of period	583	583

(A) Pursuant to the terms of the Definitive Agreement, Arrow has agreed to provide, by way of an unsecured, interest-free shareholder loan to Amalgamated, \$2,500,000 of exploration expenditure funding for the Simandou North Iron Project within 24 months from Stage 1 completion (**Expenditure Commitment**). During the quarter the Company invested \$171,000 in the Simandou North Iron Project under this Expenditure Commitment.

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	548	882
5.2	Call deposits	-	-
5.3	Bank overdrafts – credit card	9	13
5.4	Other (provide details) – cash on hand	26	8
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	583	903

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	95
6.2	Aggregate amount of payments to related parties and their associates included in item 2	3

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.

Item 1.2 (d) contains \$11k 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 \$11k to other directors on payroll.

Item 2.1 (d) includes \$3k to Mitchell River Group, a related party of Dr Frazer Tabear. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

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)	(380)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(70)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(450)
8.4 Cash and cash equivalents at quarter end (item 4.6)	583
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	583
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.3
<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?	
<p>Answer: Yes. Expenditure in the current quarter reported is representative of the Company's current and expected level of net operating cash flows.</p> <p>The Company's planned exploration work for the next quarter and funding towards the Simandou North Iron Project (via Shareholder Loan to Amalgamated) will be adjusted based on the quantum of existing funds, and new funds that may be raised via an equity raising.</p>	

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. The Company continues to review its funding options including the raising of additional capital through an equity raising. On 31 December 2022 the Company announced completion of Stage 1 to acquire a 33.3% beneficial interest in the Simandou North Iron Project. As detailed in the Company's previous ASX Announcements, the Company anticipates that a capital raising will be undertaken to fund the \$2.5m Expenditure Commitment associated with this new project.

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

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

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

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

Compliance statement

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

Date: 31 January 2023

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.