



ASX SYMBOL: AMD



DIRECTORS / OFFICERS

Tommy McKeith
Chairman

Hugh Bresser
Managing Director

Frazer Tabearth
Non-Executive Director

Alwyn Vorster
Non-Executive Director

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

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QUARTERLY ACTIVITIES REPORT PERIOD ENDED 31 MARCH 2023

Highlights

West African Strategic Focus

- Arrow advanced the Company's strategic focus on high-quality opportunities in West Africa, with potential for economic mineral deposits that will deliver long-term shareholder value

Simandou North Iron Project, Guinea, West Africa

- High grade iron confirmed from surface samples with nine rock chip samples reporting higher than 64% Fe and an additional twelve rock chip samples assaying between 58% Fe and 64% Fe
- Potential for large scale high-grade iron mineralisation comparable with the known deposits of the Simandou Range
- Environmental Authorisation granted for the Simandou North Iron Project following community engagement, environmental data collection
- Preparation for Arrow's maiden drill testing of high priority, near surface targets with potential haematite enrichment anticipated to commence shortly
- Arrow has rights to acquire up to a 60.5% controlling interest in Amalgamated which holds the Simandou North Iron Project

Corporate

- Capital raising of \$2,695,000 (before costs) announced

During the quarter ended 31 March 2023 Arrow Minerals Limited (ASX: AMD) (**Arrow** or the **Company**) announced the confirmation of high-grade iron (>64%) on the Simandou North Iron Project, Guinea from analytical results of rock chip samples collected on the project.

Arrow 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.

The Company's Guinea team embarked upon a detailed geological mapping and infill geochemical sampling over the highest ranked target zones in the Project area to assist with the placement of initial drill holes to test the depth and extent of the high-grade iron zones within these target areas.

Arrow anticipates commencing its maiden drilling program at the Simandou North Iron Project (AMD 33.3%) in May. The drilling program will contribute towards Arrow earning a 60.5% controlling interest in the project (AMD ASX announcement 24 October 2022).

SUMMARY OF ACTIVITIES DURING THE MARCH QUARTER

Guinea – *Simandou North Iron Project*

High-grade iron has been confirmed to be present at surface on the Simandou North Iron Project with twenty-one (21) significant analytical results reported by ALS Global from the 110 rock chip samples submitted for analysis, returning iron assays of greater than 58%, including nine (9) samples with **greater than 64% Fe (Figure 2)**.

The analytical results from the geochemical program demonstrate the presence of high-grade iron bearing lithologies, >64% Fe with low silica, <3.0% SiO₂ and low phosphorus, <0.1% P. The grades reported by Arrow are comparable to iron deposits identified elsewhere in the Simandou Range, reported by Rio Tinto Simfer (**Simfer**) the 2.8 billion ton Measured, Indicated and Inferred Resource (65.8% Fe, 1.2% SiO₂, 0.08%P¹) located approximately 80km south of the Simandou North Iron Project.



Figure 1. Members of the Arrow geological team in the field at the Simandou North Iron Project undertaking the geological mapping and geochemical rock chip sampling program.

Areas of coincident positive geophysical, geological and geochemical responses that demonstrate high potential for significant haematite development and enrichment within the iron bearing lithologies have been elevated in target ranking. Arrow's Guinea team commenced detailed geological mapping and infill geochemical sampling over the identified target zones in the southern third of the project area this quarter. Results from this phase of exploration work will assist Arrow with the placement of the drill holes designed to test the depth and extent of the high-grade iron zones within the target areas. Drilling is anticipated to commence in May with preparation work well advanced within the target areas.

¹ Rio Tinto Annual Report 2022 pp298-299 - <https://www.riotinto.com/en/invest>

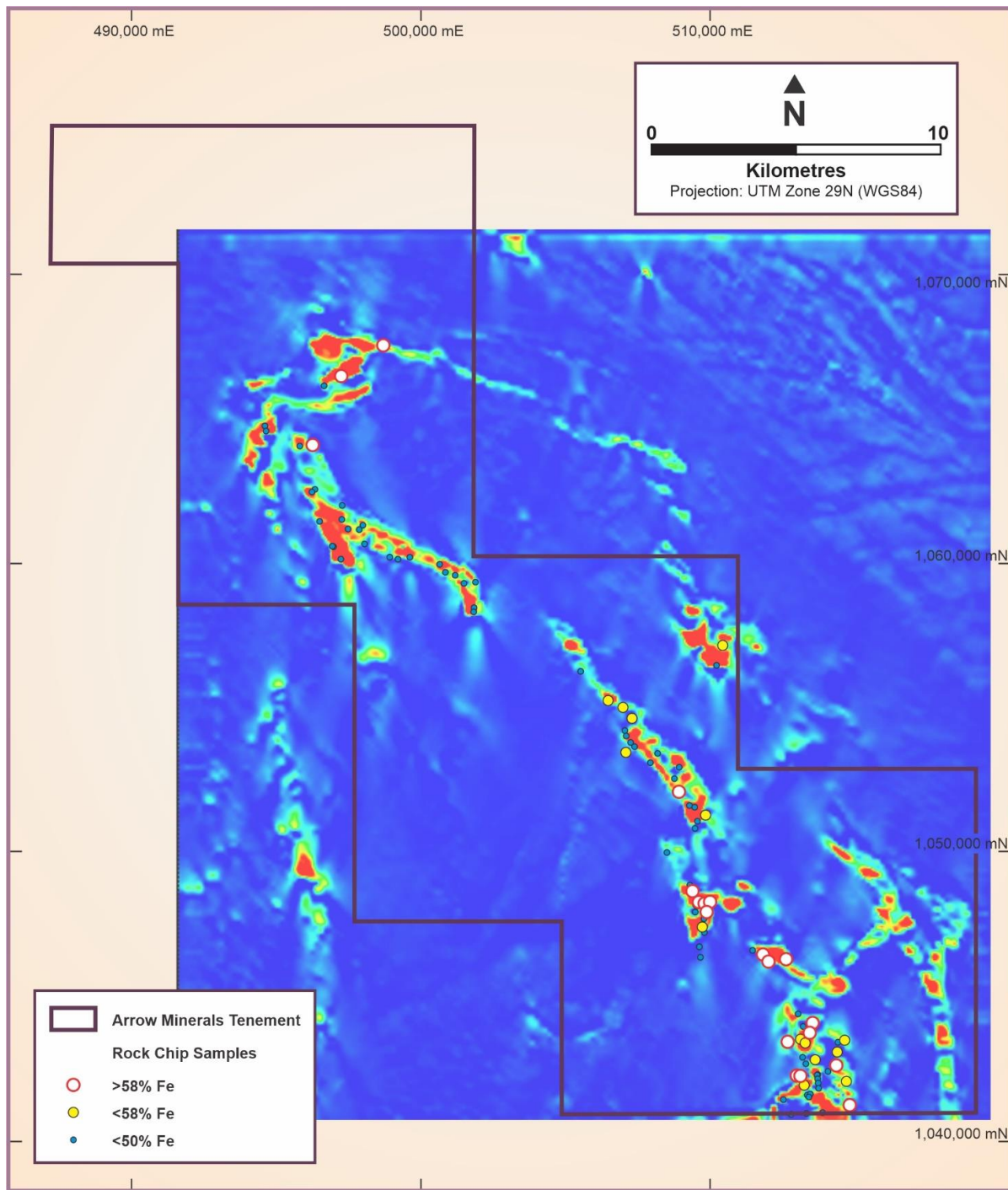


Figure 2. Rock chip iron analytical results overlain on the first pass inversion 100m depth slice using modelled BIF domains. The clustering of the high-grade iron results within a 10km long strike zone in the south of the permit has delineated clear target zones for Arrow's maiden drill program.

To support the planned exploration activities the Company commenced an ongoing community engagement program during March, aimed at all levels of the local communities, from formal government organisations to farming villages within the 10 districts of the Rural Commune of Komodou. The purpose of the program is to facilitate awareness of the exploration process planned by Arrow and provide a direct conduit for open and transparent dialogue between the Company and the communities in which we operate.

The community meetings were well attended by the local community members throughout the Simandou North Iron Project area with visible and vocal support for the project and the Company's activities (**Figures 3**). Opportunities for community involvement through direct and indirect economic means will continue to be examined.



Figure 3. Arrow Minerals community meeting on the Simandou North Iron Project.

Mechanisms by which the Company can minimise the impact of the exploration program on the normal business and agricultural endeavours of the communities were and will continue to be examined.

In parallel to the exploration and community consultation activities Arrow also initiated environmental monitoring during February. This work has established a statistical baseline in three main environmental areas: water, air and noise. The data collected from these three areas was used to develop an environmental impact statement (**EIS**) that was submitted to the Government of Guinea in April in preparation for the commencement of drilling. The Company subsequently received **Autorisation Environnementale** (Environmental Authorisation) from the Minister of Environment and Sustainable Development and the Guinean Environmental Assessment Agency for the Simandou North Iron Project.

The Environmental Authorisation recognises the Environmental and Social Management Plan, submitted by Arrow as part of the Notice of the Environmental and Social Impact, conforms with the provisions of Guinea legislation and international standards and acknowledges the commitment demonstrated by the Company in efforts to minimise the impact on the environment and seek opportunities to improve socioeconomic conditions for the local communities.

Arrow now holds an initial 33.3% beneficial interest in Amalgamated Minerals Pte. Ltd (Amalgamated), holder of the Simandou North Iron Project. The ongoing exploration work and drilling program will contribute towards Arrow earning rights to a 60.5% controlling interest in the project (AMD ASX announcement 24 October 2022).

The Company's aim is to deliver long-term value to shareholders through the discovery and development of economic mineral deposits in West Africa.

CORPORATE AND FINANCIAL

Placement

On 15 February 2023, the Company announced it had received firm commitments to raise \$2,695,000 via a placement of 490,000,002 ordinary shares (**Placement Shares**) to sophisticated and institutional investors at an issue price of \$0.0055 per share (Issue Price), together with a one for two (1:2) unlisted option, exercisable at a 50% premium to the Issue Price on or before 22 February 2024 (**Placement Options**) (**Placement**).

The Placement includes participation by Directors of the Company, who subscribed for 17,272,728 Shares (value of \$95,000), subject to receipt of shareholder approval (**Director Placement Shares**).

The Placement was managed by Euroz Hartleys Limited (Euroz Hartleys). Pursuant to a mandate executed between the parties, Euroz Hartleys are entitled to receive a 6% equity raising fee on Placement proceeds raised from investors introduced by Euroz Hartleys, and a management fee of 2% on all other proceeds. In addition, Euroz Hartleys were entitled to receive unlisted options on a one for twelve (1:12) basis of shares issued under the Placement (excluding Director Placement Shares), exercisable at a 50% premium to the Issue Price on or before on 22 February 2024 (**Broker Options**). Euroz Hartleys were also entitled to receive 40,000,000 unlisted options exercisable at \$0.007 on or before 22 February 2026 (**Adviser Options**).

The Placement is via two tranches as follows:

- Tranche 1 – consisting of 374,545,455 Shares (**Tranche 1 Placement Shares**) raising \$2,060,000. The Tranche 1 securities were issued on 23 February 2023 and 3 March 2023 using the Company's existing placement capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A, and included the Tranche 1 Placement Shares, Tranche 1 Placement Options, Adviser Options, and the portion of Broker Options linked to the Tranche 1 proceeds; and
- Tranche 2 – consisting of 115,454,547 Shares (**Tranche 2 Placement Shares**) to raise \$635,000. Shareholder approval for the issue of the Tranche 2 Placement Shares, (including the Director Placement Shares), the Tranche 2 Placement Options, and the balance of the Broker Options was received at the Company's General Meeting held on 5 April 2023, and the securities were issued on 17 April 2023.

Financial Position

As at 31 March 2023 Arrow had \$1,782,000 in available cash. The Company also holds a listed investment with a market value of \$150,400 at quarter end.

Expenditure on Mining Exploration Activities

In accordance with ASX Listing Rule 5.3.1, the Company advises its exploration and evaluation expenditure during the March 2023 quarter totalled \$61,000 (Burkina Faso). This amount is included at Item 2.1(d) of the Appendix 5B and includes geological consultants and employee costs (\$45,000), tenement rents, rates and management (\$14,000); and other costs (\$2,000).

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 \$335,000 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 \$225,000. This amount includes marketing and investor relations (\$40,000), listed company compliance costs (\$30,000), consultants (\$26,000), and other administrative costs \$129,000).

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 \$165,876. The Company advises that \$104,400 of this relates to Directors fees. An amount of \$59,490 was paid to GenGold Resource Capital Pty Ltd (a director-related party of Mr Tommy McKeith) and \$1,986 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:

- 374,545,455 shares were issued (being the Tranche 1 Placement Shares)
- 187,272,728 unlisted options exercisable at 0.825¢ on or before 22 February 2024 (being the Tranche 1 Placement Options)
- 31,212,121 unlisted options exercisable at 0.825¢ on or before 22 February 2024 (being the Tranche 1 Broker Options)
- 40,000,000 unlisted options exercisable at 0.7¢ on or before 22 February 2026 (being the Advisor Options)

The capital structure of Arrow at 31 March 2023 is set out below:

Quoted Securities

Ordinary shares on issue (ASX:AMD)	2,908,310,549
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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 0.825¢ on or before 22/02/2024	218,484,849
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
Unlisted options exercisable at 0.7¢ on or before 22/02/2026	40,000,000
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: info@arrowminerals.com.au

Investor & Media Relations contact Investability: investors@investability.com.au

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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 March 2023

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 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	(139)	(139)
(e) administration and corporate costs	(225)	(225)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(20)	(20)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(382)	(382)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(61)	(61)
(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 (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(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)	-	-
	(a) Shareholder Loan to Amalgamated ^(A)	(369)	(369)
2.6	Net cash from / (used in) investing activities	(430)	(430)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,060	2,060
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	(82)	(82)
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	1,978	1,978

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	617	617
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(382)	(382)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(430)	(430)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,978	1,978

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	1,782	1,782

(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 \$301,000 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	1,781	582
5.2	Call deposits	-	-
5.3	Bank overdrafts – credit card	(1)	9
5.4	Other (provide details) – cash on hand	2	26
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,782	617

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	105
6.2	Aggregate amount of payments to related parties and their associates included in item 2	61

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 \$10k 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, \$10k to Earthstone Resources Pty Ltd for Mr Alwyn Vorster's director fees, and \$12k to other directors on payroll.

Item 2.1 (d) includes \$2k to Mitchell River Group, a related party of Dr Frazer Tabear and \$59k to GenGold Resource Capital Pty Ltd, a related party of Mr Tommy McKeith. 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)	(382)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(61)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(443)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,782
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,782
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.0
<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: N/A	
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: N/A	
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: N/A	
<i>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.</i>	

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: 28 April 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.