



ASX SYMBOL: AMD



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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QUARTERLY ACTIVITIES REPORT PERIOD ENDED 30 SEPTEMBER 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

- Subsequent to quarter end, Arrow executed the definitive binding agreement for the acquisition of up to 60.5% of the Simandou North Iron Project which 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

- Arrow received payment of \$300,000 cash and 2,350,000 shares in Dreadnought Resources Ltd (ASX:DRE).
- Dreadnought is to make a further cash payment of \$300,000 to Arrow on or before 30 November 2022.
- 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.

Malinda Lithium Project, Western Australia

- Arrow received \$700,000 cash for its remaining 10% interest in the Malinda Lithium Project.

Corporate Restructure subsequent to quarter end

- Tommy McKeith assumes the role of Non-Executive Chairman.
- Alwyn Vorster, mining executive with over 30 years iron ore experience joins Arrow as a Non-Executive Director.

During the quarter ended 30 September 2022 Arrow Minerals Limited (ASX: AMD) (**Arrow** or the **Company**) concluded three significant commercial transactions, finalising the Company's entry into the Simandou North Iron Project in Guinea, and divestment of the Strickland Copper Gold Project and sale of the Company's 10% interest in the Malinda Lithium Project, both in Western Australia.

Arrow is now positioned to accelerate its strategy of delivering long-term value to shareholders through the discovery and development of economic mineral deposits in West Africa. Arrow will focus its efforts on the Simandou North Iron Project in Guinea over the coming months whilst continuing to monitor the situation in Burkina Faso following the 30 September coup and elevated security concerns in the country.

SUMMARY OF ACTIVITIES DURING THE SEPTEMBER QUARTER

Guinea – Simandou North Iron Project

Subsequent to quarter end, Arrow announced it had executed a binding Definitive Agreement formalising the commercial terms upon which the Company can earn a 60.5% interest in the Simandou North Iron Project. Under the Definitive Agreement, Arrow can acquire up to a 60.5% controlling interest in Amalgamated Minerals Pte. Ltd., a private Singaporean registered company, which holds a 100% interest in the Simandou North Iron Project in Guinea, West Africa. This followed 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.

The Simandou North Iron Project (*Figure 1*) 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 Winning Consortium Simandou (WCS) Block 1 & 2 with a reported measured, indicated and inferred mineral resource of 1.8 billion tonnes at 65.4% Fe and Rio Tinto Simfer's (Simfer) Simandou Project Block 3 & 4 with a total measured, indicated and inferred mineral resource estimate of 2 billion tonnes grading 65.5% iron.

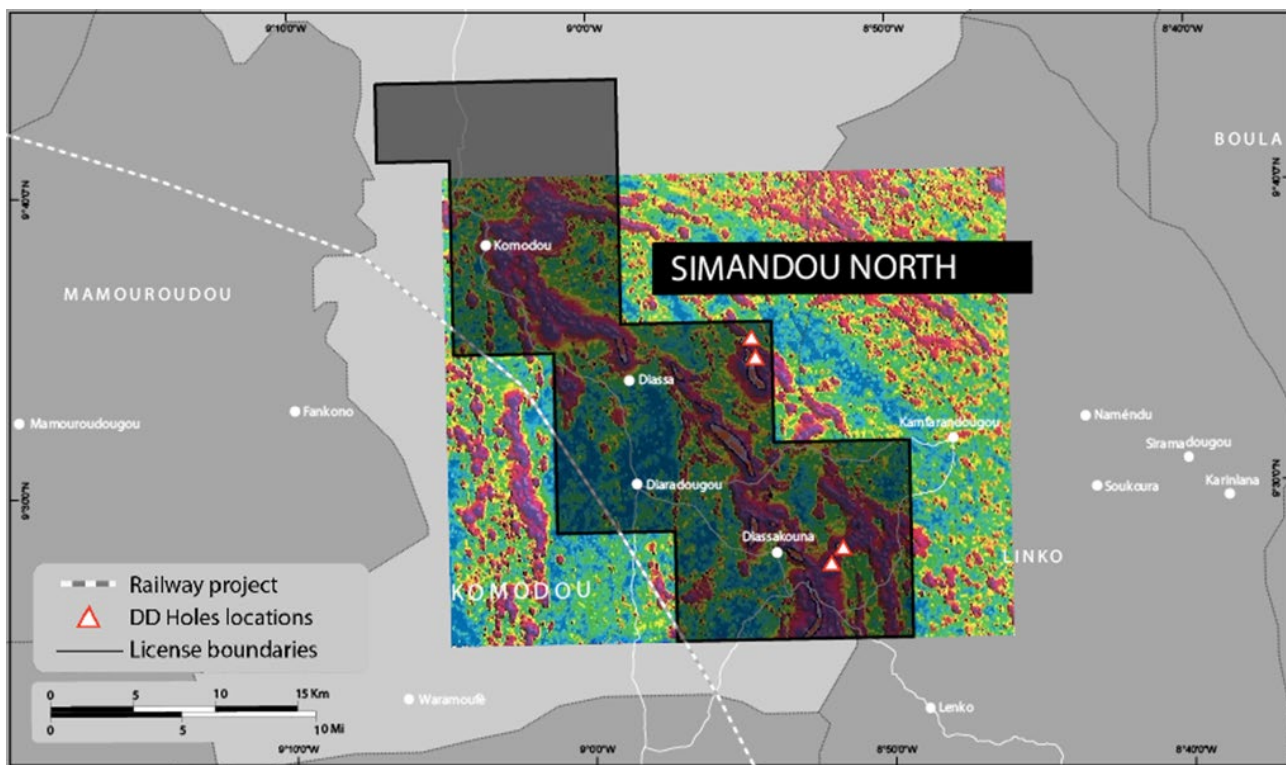


Figure 1. Simandou North Permit map showing airborne magnetic geophysical image and historical drillhole locations within interpreted Simandou Group stratigraphy and proposed rail line route (Datum WGS84-29N).

On 27 July 2022, the government of Guinea, Simfer and WCS created La Compagnie du TransGuineen, 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. 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.

The emergence of a combined commitment between Government and Industry opens the way for Arrow to potentially establish itself as a major West African mining company. Simandou North Iron Project allows Arrow to participate in the development of an area where, until now, mineral wealth has been locked up due to infrastructural constraints.

For additional information please see ASX announcement 24 October 2022 *Definitive Binding Agreement for the Simandou North Iron Project and Corporate Restructure*.

Burkina Faso - Vranso Project

In response to the escalating armed activity throughout the country, on 30 September 2022 Burkina Faso was subject to a military lead coup, the second within 12 months. Arrow has delayed the planned commencement of field activities whilst we monitor the political and security situation.

Additionally, Trevali Mining Corporation (**Trevali**), our joint venture partner on the Vranso Project, has elected to close its Perkoa Zinc Mine following a flooding event on 16 April 2022 that resulted in eight fatalities. This event significantly impacted Trevali's cash flow and the company has been placed into voluntary administration. Arrow is assessing the impact on its position and the potential opportunity that has arisen.

CORPORATE AND FINANCIAL

Non-Brokered Private Placement for \$350,000

On 14 July 2022, the Company issued 58,333,334 shares at an issue price of \$0.006 per share pursuant to a non-brokered private placement to qualified sophisticated and professional investors raising \$350,000 (**Placement**).

Divestment of Strickland Copper Gold Project, WA

On 13 July 2022, the Company announced that it has 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. Settlement of this transaction occurred on 1 August 2022 (refer ASX Announcement 2 August 2022).

Pursuant to the terms of the agreement:

- Arrow received \$20,000 cash payment upon signing of the agreement (received during September 2022 quarter);
- Arrow received \$280,000 cash payment at settlement (received during September 2022 quarter);
- Dreadnought issued Arrow 2,350,000 fully paid ordinary shares in Dreadnought at settlement (escrowed until 31 January 2023) (received during September 2022 quarter);
- 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; and
- 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.

Sale of remaining 10% interest in Malinda Lithium Project, WA

On 8 August 2022 the Company announced that it had entered into a Share Sale Agreement with Electrostate for the sale of Arrow's remaining 10% equity interest in Arrow (Malinda) Pty Ltd, the holding company of the Malinda Lithium Project in Western Australia. The total cash consideration for the sale was A\$700,000, which was received upon completion of the transaction on 8 August 2022.

Agreement to Acquire 60.5% in the Simandou North Iron Project

On 13 July 2022, the Company announced that execution of 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.

The following shares were issued during the September 2022 quarter in connection with this transaction:

- 81,250,000 shares issued on 14 July 2022 (being the Exclusivity Shares); and
- 81,250,000 shares issued on 19 July 2022 (being the Facilitator Fee Shares).

Subsequent quarter end, the Company announced successful completion of due diligence on the Simandou North Iron Project and the execution of a binding agreement formalising the terms of the transaction. Refer to ASX Announcement released 24 October 2022 for further details.

Corporate Restructure

Subsequent to quarter end, the Company announced that the Arrow Board of Directors had been reorganised to oversee and drive the Company's ambitious growth strategy in West Africa.

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 30 September 2022 Arrow had \$903,000 in available cash. The Company also holds a listed investment (subject to escrow until 31 January 2023) with a market value of \$228,000 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 September 2022 quarter totalled \$267,000. This amount is included at Item 2.1(d) of the Appendix 5B and includes geological consultants and employee costs (\$75,000), aeromagnetic surveys (\$39,000); assays, sampling and studies (\$34,000), tenement rents, rates and management (\$96,000); and other costs (\$23,000). Refer to the projects overview commentary above for details of activities conducted during the quarter.

Administration and Corporate Costs

Item 1.2(e) of the Appendix 5B indicates total payments for administration and corporate costs during the quarter of \$289,000. This amount includes legal costs (\$59,000), travel (\$46,000), marketing and investor relations (\$51,000), audit and tax services fees (\$40,000), listed company compliance costs (\$34,000), consultants (\$25,000), and other administrative costs \$34,000).

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 \$113,441. The Company advises that \$95,115 of this relates to

Directors fees. In addition, a \$14,520 performance bonus was paid to a Director pursuant to the short-term incentive plan detailed in the Company's recent Annual Report. An amount of \$3,806 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:

- 58,333,334 shares were issued pursuant to the Placement
- 81,250,000 shares issued (being the Exclusivity Shares)
- 81,250,000 shares issued (being the Facilitator Fee Shares)
- 11,000,000 shares were cancelled pursuant to employee share scheme buy back
- 9,900,000 unlisted options exercisable at 0.6¢ on or before 05/08/2025 were issued pursuant to the Company's Employee Securities Incentive Plan
- 120,150,000 unlisted options exercisable at 2.0¢ expired on 22/08/2022
- 69,682,290 Class B Performance Rights expired on 26/08/2022

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

Quoted Securities

Ordinary shares on issue (ASX:AMD)	2,033,765,094
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Unquoted Securities

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 0.6¢ on or before 05/08/2025	9,900,000
Unlisted options exercisable at 1.1¢ on or before 25/11/2025	5,000,000
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 Burkina Faso Tenements as at 30 September 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				
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 September 2022

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	(120)	(120)
(e) administration and corporate costs	(289)	(289)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(20)	(20)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	18	18
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(410)	(410)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(45)	(45)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(267)	(267)
(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	300	300
	(c) property, plant and equipment	-	-
	(d) investments	700	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)	-	-
2.6	Net cash from / (used in) investing activities	688	688

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	350	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	350

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	272	272
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(410)	(410)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	688	688
4.4	Net cash from / (used in) financing activities (item 3.10 above)	350	350

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
4.5	Effect of movement in exchange rates on cash held	3	3
4.6	Cash and cash equivalents at end of period	903	903

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	882	273
5.2	Call deposits	-	-
5.3	Bank overdrafts – credit card	13	(2)
5.4	Other (provide details) – cash on hand	8	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	903	272

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	109
6.2	Aggregate amount of payments to related parties and their associates included in item 2	4

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 \$13k to Geogen Consulting Pty Ltd for Dr Frazer Tabear's director fees, \$87k to Milagro Ventures Pty Ltd for Mr Hugh Bresser's director fees (including \$14k short-term incentive bonus payment), and \$9k to other directors on payroll.

Item 2.1 (d) includes \$4k 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)	(410)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(267)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(677)
8.4 Cash and cash equivalents at quarter end (item 4.6)	903
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	903
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?	
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 funds in relation to the divestment of Strickland Copper Gold Project (refer ASX Announcement 13 July 2022) (\$300,000 to be received by 30 November 2022), and new funds that may be raised via an equity raising.	

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. As detailed above, the Company will receive a further \$300,000 by 30 November 2022 in relation to divestment of Strickland Copper Gold Project. The Company is continues to review its funding options including the raising of additional capital though an equity raising. Subsequent to quarter end, the Company has announced completion of its due diligence and execution of the definitive binding agreement for the acquisition of up to 60.5% of the Simandou North Iron Project. As detailed in the Company's ASX Announcement dated 13 July 2022, 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: 28 October 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.