



**ARROW
MINERALS**

**ANNUAL FINANCIAL REPORT
30 JUNE 2019**

ABN 49 112 609 846

Directors

Dr Frazer Tabeart	Non-Executive Chairman
Steven Michael	Executive Director
Tommy McKeith	Non-Executive Director
Morgan Ball	Non-Executive Director

Joint Company Secretaries

Matthew Foy
Catherine Grant-Edwards

Registered Office

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Claremont WA 6010
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Auditors

Pitcher Partners BA&A Pty Ltd
Level 11, 12-14 The Esplanade
Perth WA 6000

Bankers

National Australia Bank Limited
Level 14, 100 St Georges Terrace
Perth WA 6000

Share Registry

Advanced Share Registry Service
110 Stirling Highway
Nedlands WA 6009

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange Limited (ASX)
ASX: Code: AMD
AMDOA

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Chairman's Letter

Dear Shareholder,

On behalf of your Directors, it gives me great pleasure to present Arrow Minerals Limited's (**Arrow** or the **Company**) 2019 Annual Report and Financial Statements.

In a major shift from its Australian focussed exploration strategy, Arrow has acquired privately-owned Burkina Faso exploration company, Boromo Gold Limited (**Boromo**), via an all-scrip transaction. Burkina Faso, in West Africa, has known gold endowment of +60Moz, with the majority of gold discoveries made in the past 15 years, and is a well recognised emerging but under-explored global gold province.

As a result of this transaction, Arrow now owns a 100% interest in six high quality gold exploration projects, totalling 2,013km², in Burkina Faso, with drill-ready targets at Divole East and Divole West. Following the end of the reporting year, Boromo completed a 2,400m reverse circulation drilling programme at Divole East, where previous drilling by Boromo intersected 9.9m @ 4.3g/t Au. Further encouragement from the recent drilling at Divole East, and the underexplored nature of the other Burkina Faso projects means that Arrow believes shareholder interests are best served by focussing its efforts on this region in the coming year.

Arrow has accordingly restructured its Board and Management to add significant West African gold exploration experience, including the appointment of Mr Howard Golden as Chief Executive Officer and Mr Tommy McKeith and Mr Morgan Ball as Non-Executive Directors. Arrow's Managing Director, Mr Steven Michael, will continue as an Executive Director of the Company. Non-Executive Director, Mr Nicholas Ong, has retired from the Board after eight years of exemplary service.

The Company's other major asset is the 100% owned Strickland Gold Project, which covers 1,200km² of exploration licences and is approximately 100km west of Menzies and 180km north-east of Southern Cross, in the Eastern Goldfields of Western Australia. Very limited gold exploration has been undertaken in this region for the past 15-20 years due to focus on the region's iron ore potential.

A major gold exploration programme was executed at Strickland in the first half of the year with a total of 412 aircore holes drilled for 17,000m covering the T2, T6 and T11 prospects. A number of encouraging zones of near surface mineralisation were identified through these programmes, and require follow-up, including 16m @ 1.9g/t Au and 9m @ 2.6g/t Au at the T6 prospect. All work to date at Strickland will be reviewed by the Company's geological and geochemical consultants, and a follow-up work programme devised for execution in 2020.

At the Malinda Lithium Project, Arrow completed further soil sampling and rock-chip sampling aimed at refining prospects for further evaluation. The Company also completed a hyper-spectral survey which promises to provide project scale context for this work. The Company will evaluate whether this project represents an opportunity for continued exploration under Arrow management, or whether divestment of the project better reflects the Company's gold focussed strategy.

Arrow's joint venture with Independence Group NL over the Plumridge Nickel Project in the Fraser Range continued during the year, with Independence reaching 90% ownership through completion of \$5m in exploration expenditures over the project. This included completion of ground-based electro-magnetic surveys and limited drilling. Arrow is now a 10% contributing JV partner to this project which continues to receive majority funding from Independence.

Arrow has ended the year in a strong financial position, with cash, receivables and listed investments worth over \$3 million immediately after the Boromo acquisition. As a result, the Company is able to develop its gold-focussed exploration strategy in both Burkina Faso and Western Australia without the need for additional funding.

On behalf of the entire Board of Directors, I would like to thank Arrow's shareholders for their continued support and look forward to advancing our new and existing exploration projects during the next 12 months.



Dr Frazer Tabcart
Non-Executive Chairman

Directors' Report

Your directors submit their report for Arrow Minerals Limited (**Arrow** or the **Company**) for the year ended 30 June 2019.

DIRECTORS AND MANAGEMENT

The names of Arrow's directors that held office during the year and until the date of this report are as below. Directors were in office for this entire period unless stated otherwise.

Dr Frazer Tabearth	Non-Executive Chairman
Mr Steven Michael	Executive Director
Mr Tommy McKeith	Non-Executive Director (appointed 26 August 2019)
Mr Morgan Ball	Non-Executive Director (appointed 26 August 2019)
Mr Nicholas Ong	Non-Executive Director (resigned 26 August 2019)

Dr Charles (Frazer) Tabearth – Non-Executive Chairman

Dr Tabearth is a graduate of the Royal School of Mines with a PhD and Honours in Mining Geology. He has over 30 years' experience in international exploration and mining projects, including 16 years with WMC Resources and 14 years with the Mitchell River Group of Companies.

Dr Tabearth is a member of the Australian Institute of Geoscientists and a member of the Society of Economic Geologists.



Other current directorships

Dr Tabearth is currently Executive Director of African Energy Resources Limited and Managing Director of PolarX Ltd.

Former directorships in last 3 years

Nil.

Mr Steven Michael – Executive Director

Mr Michael has extensive experience in the global resources sector specialising in corporate finance and equity capital markets. He has over 20 years' experience in natural resources with RBC Capital Markets, Macquarie Bank and NM Rothschild & Sons.

Mr Michael is a Member of the Institute of Chartered Accountants in Australia and is a member of the Australian Institute of Company Directors.



Other current directorships

Nil.

Former directorships in last 3 years

Nil.

Mr Tommy McKeith – Non-Executive Director (appointed 26 August 2019)

Mr McKeith is a geologist with over 30 years' experience in exploration, development and mining, including executive roles in Gold Fields Ltd and previous Managing Director and director roles with ASX resource companies.

Mr McKeith is a Fellow of the Australian Institute of Mining and Metallurgy.



Other current directorships

Mr McKeith is Chairman of Prodigy Gold NL and Genesis Minerals Limited and Non-Executive Director of Evolution Mining Limited.

Former directorships in last 3 years

Nil.

Mr Morgan Ball – Non-Executive Director (appointed 26 August 2019)

Mr Ball is a Chartered Accountant with over 25 years of Australian and international resources industry experience. Mr Ball was previously Managing Director of BC Iron Limited and is currently Chief Financial Officer of Saracen Minerals Holding Limited.

Mr Ball is a Member of the Institute of Chartered Accountants in Australia.



Other current directorships

Mr Ball is currently Non-Executive Director of Chalice Gold Mines Limited.

Former directorships in last 3 years

Nil.

Mr Nicholas Ong – Non-Executive Director (resigned 26 August 2019)

Mr Ong was a Principal Adviser at the Australian Securities Exchange and brings 14 years' experience in IPO, listing rules compliance and corporate governance. Mr Ong has developed a wide network of clients in Asia-Pacific region and provides corporate and transactional advisory services through boutique firm Minerva Corporate Pty Ltd.

He is a member of the Governance Institute of Australia and holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia.



Other current directorships

Helios Energy Limited, CoAssets Limited, Arrow Energy Limited and Black Star Petroleum Limited.

Former directorships in last 3 years

Excelsior Gold Limited, Auroch Minerals Limited, Fraser Range Metals Group Limited, Tianmei Beverage Group Corporation Limited, Bojun Agriculture Holdings Limited and Jiajiafu Modern Agriculture Limited.

Mr Howard Golden – Chief Executive Officer (appointed 26 August 2019)

Mr Golden is Geophysicist with over 30 years' experience in exploration across six continents, including significant operating experience throughout West Africa. Mr Golden has held senior roles with Nordgold, Rio Tinto, BHP and WMC, including discovery teams at Syama, Oyu Tolgoi, Agbaou and West Musgrave deposits.

Mr Golden is a member of numerous Australian and international professional organisations and is a Registered Professional Geoscientist. He holds qualifications from the University of Utah (BA) and the University of Leeds (MSc).



Ms Jenine Owen – Chief Financial Officer

Ms Owen is a Chartered Accountant with over 20 years' experience in the disciplines of financial and management accounting, corporate governance and assurance. Ms Owen has held senior finance roles with Shell in Australia and London.

Ms Owen is an associate member of the Australian Institute of Company Directors, holds a Bachelor of Accounting Science degree (UNISA) majoring in Accounting and Audit, has a post Graduate Diploma (Applied Accounting and Finance) from the University of Zimbabwe and is a qualified Chartered Accountant (CAANZ).



Mr Matthew Foy – Joint Company Secretary

Mr Foy was previously a Senior Adviser at the ASX, has over ten years' experience in facilitating the compliance of listed companies. Mr. Foy possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines. His expertise is in corporate, commercial and securities law with an emphasis on capital raisings and mergers and acquisitions.

Mr Foy is a member of Governance Institute Australia, has a Graduate Diploma (Applied Finance) from FINSIA and a B.Com from the University of Western Australia.



Ms Catherine Grant-Edwards – Joint Company Secretary (appointed 26 August 2019)

Ms Grant-Edwards is the co-founder and Executive Director of Bellatrix Corporate Pty Ltd, an outsourced accounting, CFO and company secretarial services company. Ms Grant-Edwards has over 15 years' experience in the profession and with ASX/LSE-listed companies, private entities, and has a background in big-four public practice (Ernst & Young).

Ms Grant-Edwards holds a Bachelor of Commerce degree (UWA) majoring in Accounting and Finance and is a qualified Chartered Accountant (CAANZ).



AUDITOR

Pitcher Partners BA&A Pty Ltd was appointed on 6 June 2018 in accordance with Section 327 of the *Corporations Act 2001*. The appointment follows the resignation of Pitcher Partners Corporate & Audit (WA) Pty Ltd. The change of auditor has occurred as part of an internal restructure within Pitcher Partners.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was mineral exploration in Western Australia. There were no significant changes in the nature of the Company's principal activities during the year.

RESULTS OF OPERATIONS

The net operating loss after tax for the year ended 30 June 2019 was \$3,909,752 (30 June 2018: Loss of \$550,628).

REVIEW OF OPERATIONS

Exploration during the year focussed on the Strickland Gold Project, with 17,000m of aircore drilling completed over the T2, T6 and T11 (Helsinki) Prospects. High resolution aeromagnetic and ground gravity surveys were acquired over the entire project area and will be used, in conjunction with geological and drilling information, to determine future drill programmes over gold-in-bedrock anomalies.

At the Plumridge Nickel Project, Arrow's joint venture partner, Independence Group NL (ASX: IGO) (**IGO**), increased its interest in the project to 90% through the expenditure of \$5 million. IGO completed detailed airborne EM surveys, ground EM surveys and project-wide aircore drilling programmes. Reverse circulation and diamond drilling of EM conductor plates has commenced and will continue throughout 2019/20.

Arrow sold its 49% interest in the Pilbara Gold Project to Pacton Gold Inc. (TSX-V: PAC) (**Pacton**) for \$2 million in cash and shares. During the year, Arrow divested approximately one-third of its shares in Pacton and, subsequent to year end, the remaining shares have been sold.

In late June, Arrow announced that it had entered into an agreement to acquire privately-owned Burkina Faso exploration company, Boromo Gold Limited (**Boromo**), via an all-scrip transaction (**Acquisition**). Boromo owns a 100% interest in six high quality gold exploration projects, totalling 2,013km², in Burkina Faso, with drill-ready targets at Divole East and Divole West. The Acquisition was completed subsequent to year end, on 26 August 2019.

STRICKLAND GOLD PROJECT Eastern Goldfields, Western Australia

The Strickland Gold Project (**Strickland**) covers 1,370km² of highly prospective greenstone belts, 100km west of Menzies and 180km north of Southern Cross in the Eastern Goldfields of Western Australia. Strickland covers over 150 strike kilometres of the Evanston, South Elvire and Yerilgee Greenstone Belts which straddle the Evanston and Yerilgee Shear Zones (*Figure 1*).

Since acquiring Strickland in late 2016, Arrow has completed a project-wide geochemical survey (BLEG sampling) which has been integrated with geophysical and geological datasets to identify 19 camp-scale gold prospects. Gold camps have the potential to host multiple gold deposits within a major lithostructural zone or single significant deposits.

During the year, Arrow completed several aircore drilling programmes at the T2, T6 and T11 (Helsinki) Prospects and a stratigraphic drill programme, to identify bedrock geology underlying geochemical and geophysical anomalies.

Prospect	Type	Holes	Metres	Ave. Depth
T2	Aircore	80	3,560m	45m
T6	Aircore	174	8,540m	49m
T11 (Helsinki)	Aircore	58	1,860m	32m
Stratigraphic	Aircore	100	2,990m	30m
Total		412	16,950m	40m

In addition to the aircore drilling programmes, Arrow undertook:

- First-pass soil sampling over prospects identified from BLEG surveys along the Yerilgee Greenstone Belt;
- Detailed geological mapping and structural interpretation at the T1, T2, T6, T8 and Helsinki Prospects;
- Project-wide ground gravity survey (400m x 800m); and
- Integration and analysis of geological, geochemical and geophysical datasets to rank and prioritise gold and base metal targets for future exploration.

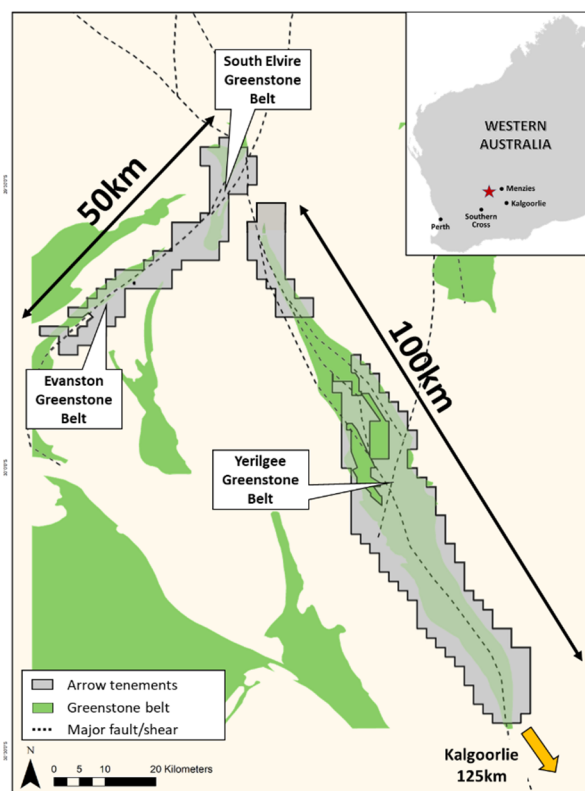


Figure 1: Strickland Gold Project location map

T2 Prospect

The T2 prospect is located in the Mt Elvire greenstone belt adjacent to the regionally significant Evanston Shear and has been defined by a 5km x 1.5km gold-in-soil anomaly. The T2 prospect was first drilled in July 2017, with BARRC007 intersecting 48m @ 0.7g/t from 27m including 21m @ 1.1g/t and 3m @ 2.3g/t.

Exploration this year focussed on the T2d Prospect, which is defined by a 3km long gold-in-soil anomaly directly overlying a sheared granite adjacent to the edge of the South Elvire Greenstone belt (**Figure 2**). The sheared granite has been mapped and contains rafts of mafic amphibolite and locally intense epidote alteration and quartz veining.

Drilling at the T2d Prospect was undertaken on 200m spaced lines, with angled holes drilled to an average depth of 45m across the sheared granite. Gold mineralisation was intersected in the majority of drill holes, with several holes returning +0.5g/t Au within 15m of surface. The best intersection was in STKAC0338, which returned 3m @ 0.7g/t from 10m.

The drill programme has confirmed gold mineralisation occurs along a regional-scale bend in the shear identified in ground gravity and high-resolution airborne magnetic data. Along this section, higher grade mineralisation appears to be controlled by a series of NW-trending faults intersecting the main shear at regular intervals. The T2d Prospect remains open to the west, north and south.

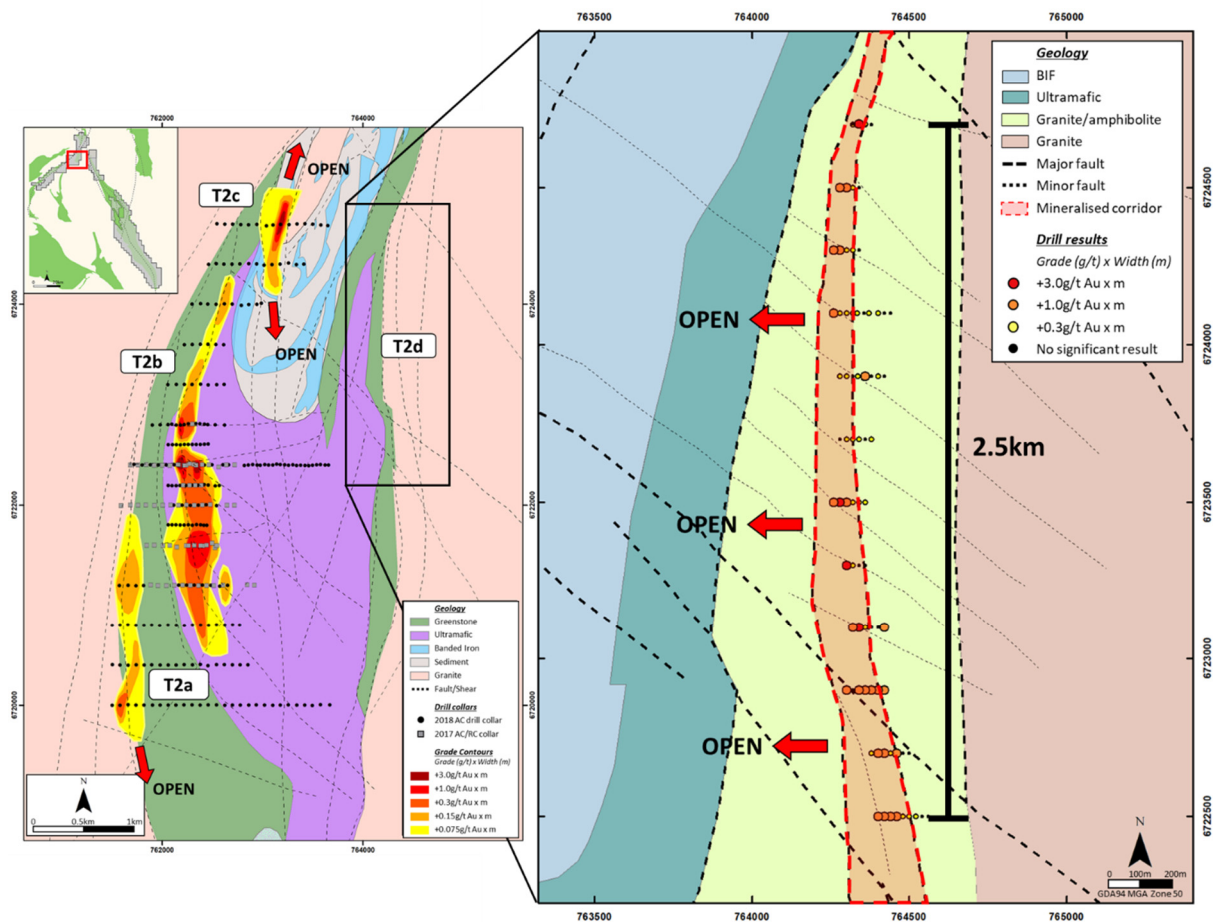


Figure 2: T2d Prospect – plan view showing drill collar locations and gold mineralisation

T6 Prospect

The T6 prospect is located in the Yerilgee greenstone belt and was defined by a 4.2km x 1.3km gold-in-soil anomaly, adjacent to a late stage granitic intrusion and a project scale NNE trending structure. A total of 174 holes for 8,500m were drilled at the T6 Prospect to test a number of gold targets defined by detailed soil sampling, previous wide spaced aircore drilling and lithostructural mapping. Drilling commenced over the T6c mineralised corridor, followed by fence lines over T6a, T6b and T6d (**Figure 3**). The majority of drilling targeted a 3.2km interpreted mineralised corridor at T6c, with the central and southern portion of the corridor returning significant gold intersections including 16m @ 1.9g/t from 0m, 9m @ 2.6g/t from 23m and 3m @ 1.6g/t from 38m.

Drilling at T6c has confirmed the mineralised corridor as a series of splay faults off a regionally significant shear, intruded by a number of mineralised porphyries. The structures and porphyries show locally intense alteration typical of orogenic gold mineralisation. In addition, drilling intersected a number of porphyry intrusions and lamprophyres hosted by mafic and ultramafic volcanic rocks. Mineralisation occurs in late brittle-ductile structures in both the porphyry intrusions and the ultramafic rocks.

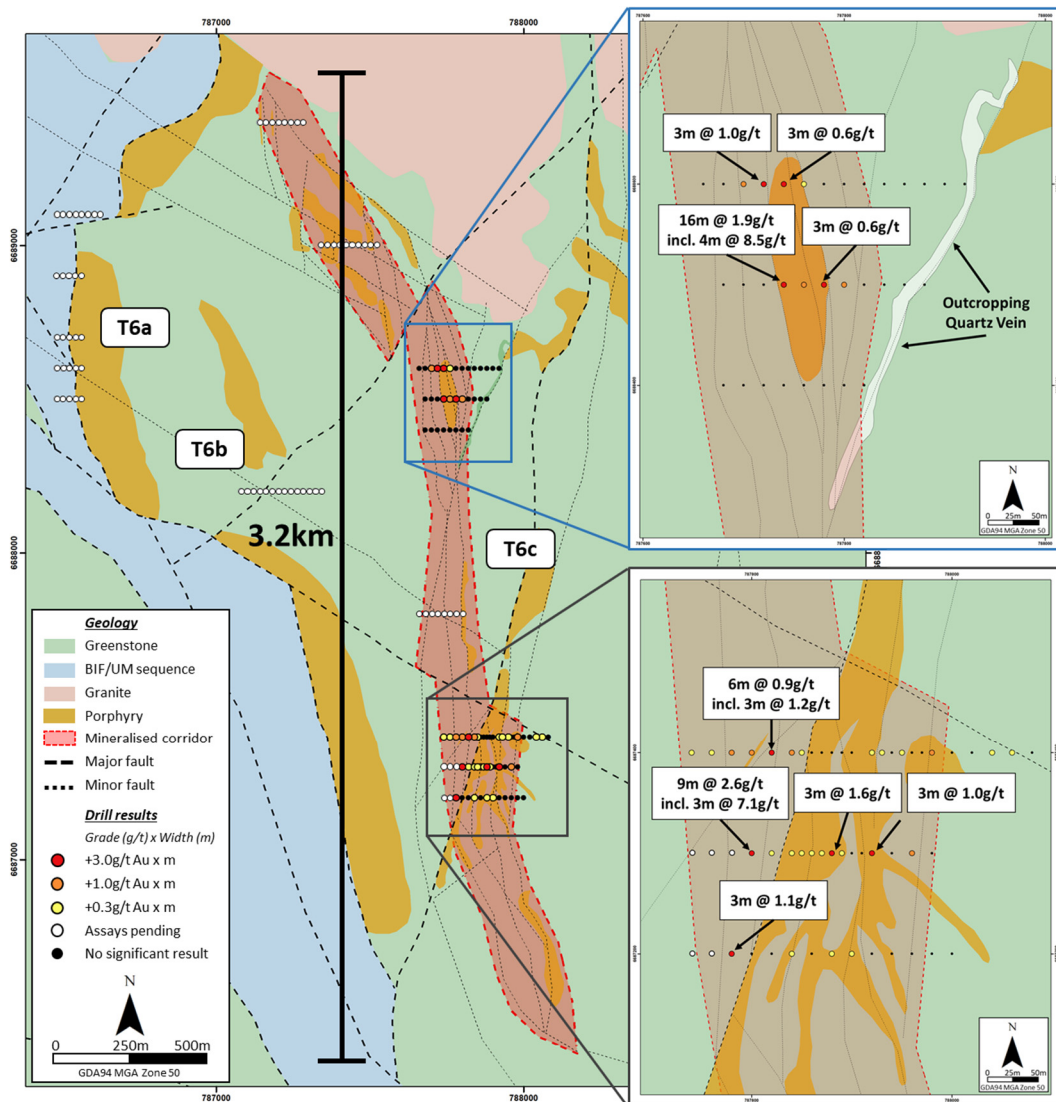


Figure 3: T6 Camp with mineralised corridor and drill collar locations
Insets: Detailed drill results from southern and central portions of mineralised corridor

Helsinki Prospect

The Helsinki Prospect (previously T11 Prospect) is a large, high-priority target along a major fault within the Yerilge Greenstone Belt, that extends over five kilometres of strike and is up to two kilometres wide. Drilling at Helsinki has confirmed that a large felsic porphyry is located internal to Banded Iron Formations (BIF) and mafic volcanic lithologies (**Figure 4**). The NNW-trending sheared contact between the porphyry and mafic lithologies forms a major domain boundary associated with gold anomalism which was intersected in multiple drill lines over four kilometres. This boundary is interpreted to be a major mineralised fluid pathway, with significant drill results including:

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

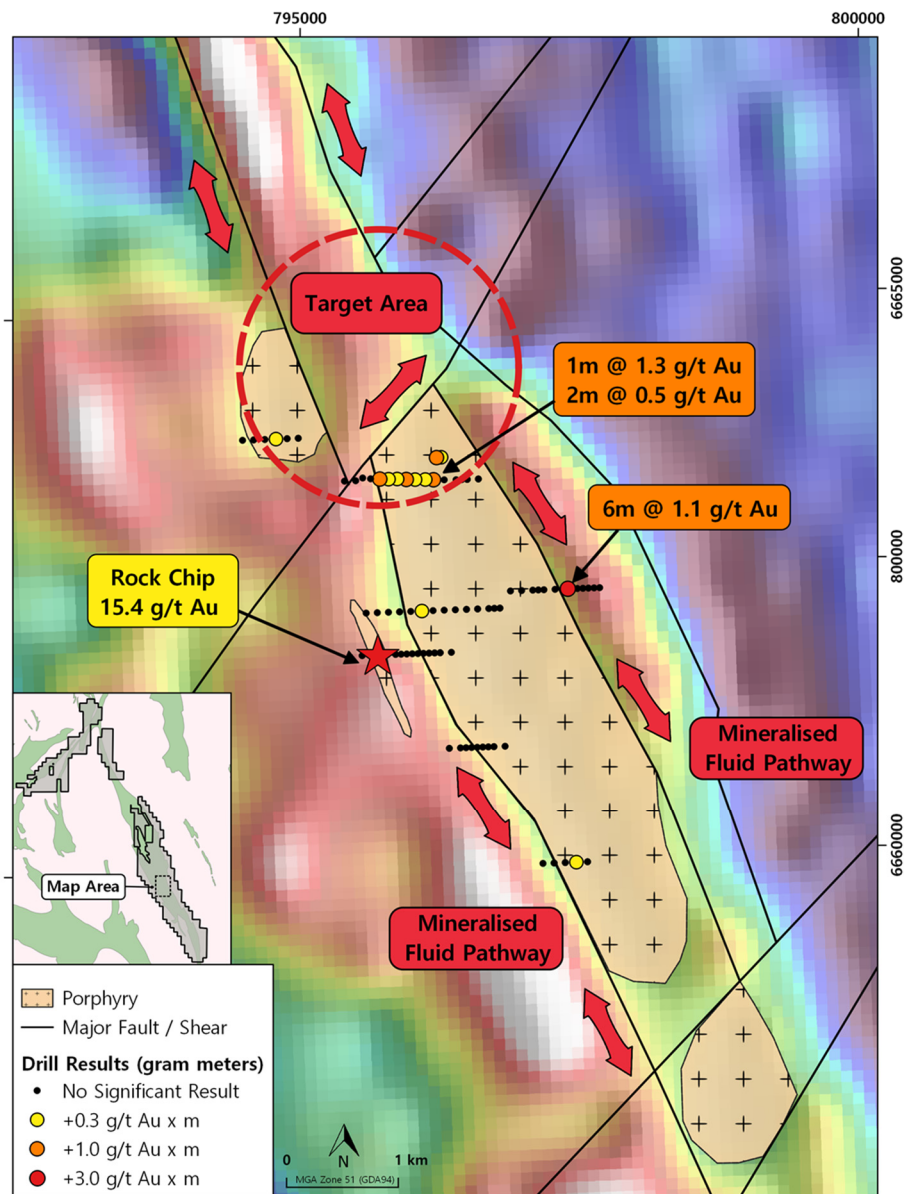


Figure 4: Simplified geology of the Helsinki Prospect over gravity image (1VD)

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

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

MALINDA LITHIUM PROJECT

Gascoyne Region, Western Australia

The Malinda Lithium Project (**Malinda**) is located 120km north-east of Gascoyne Junction in the Gascoyne Region of Western Australia (**Figure 5**). Previous exploration conducted by Arrow identified several lithium and tantalum-bearing pegmatites associated with fertile granite intrusions.

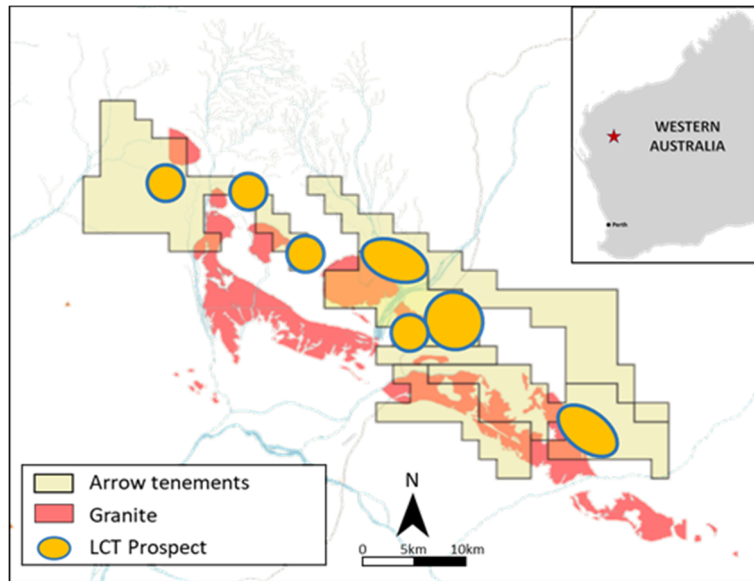


Figure 5: Malinda Project location map

Arrow completed a maiden 17 hole RC drilling programme over four outcropping pegmatites in 2017. The drilling resulted in the identification of thick moderately dipping pegmatites at three of the main prospects with assays confirming the mineralisation potential at the Tomahawk, Blade and T-Bone Prospects. Further analysis has verified spodumene as the main lithium-bearing mineral in samples over 2.0% Li_2O .

During the year, Arrow undertook detailed geological interpretation and mapping of the pegmatites at Malinda, leading to a systematic rock chip sampling programme to determine fractionation trends and confirm mineralisation in previously unidentified pegmatites.

A total of 217 rock chips (ave. 5.8kg) were collected, predominantly to the north and east of previous exploration work. The rock chips returned significant tantalum grades, with 79 samples grading over 150ppm Ta_2O_5 , including the highest value recorded at the Project to date of 1,673ppm Ta_2O_5 . (**Figure 6**).

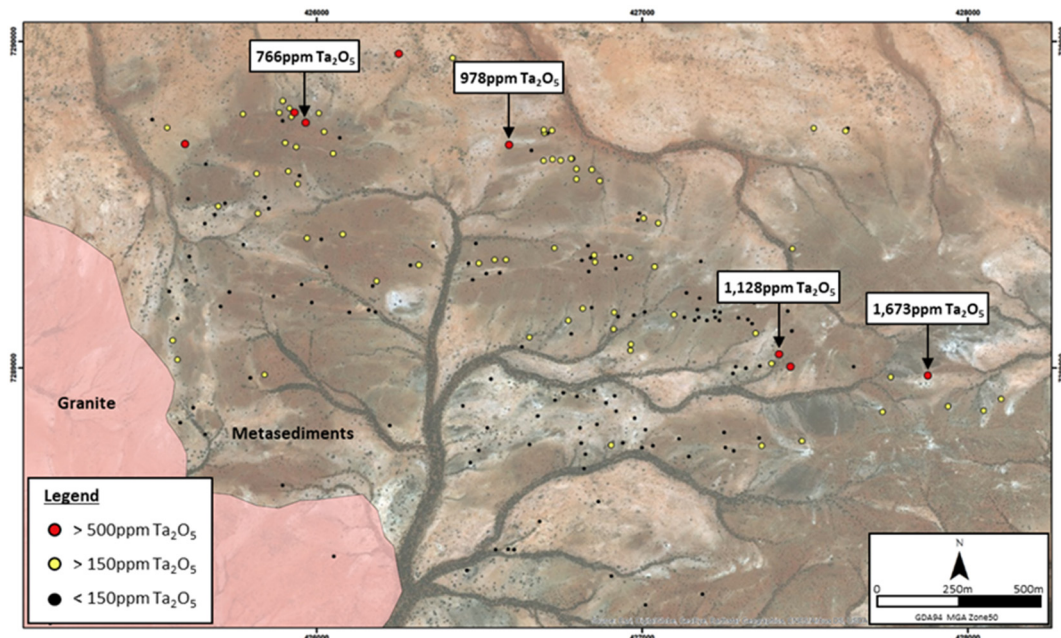


Figure 6: Additional rock chip samples at Malinda

A geochemical review of the rock chip data shows a strongly developed niobium/tantalum (Nb/Ta) fractionation trend from the south-west extending to the north and north-east, indicating the granite intrusion may continue at depth. In addition, mineralised pegmatites were identified under shallow cover to the north and north-east of the previously identified pegmatites.

The majority of drilling completed to date at Malinda was located within the less fractionated zone closer to the granite, with the exception of the Tomahawk prospect which returned the most intense and consistent mineralisation in the first pass drilling programme. There remains potential for a significant extension of highly fractionated pegmatites under cover to the north and north-east of previous exploration work.

In June 2019, Arrow acquired a detailed airborne HyMap hyperspectral survey over the entire Malinda Project area (**Figure 7**). This survey will be used to identify areas prospective for LCT mineralisation, similar to the main Malinda Prospect.

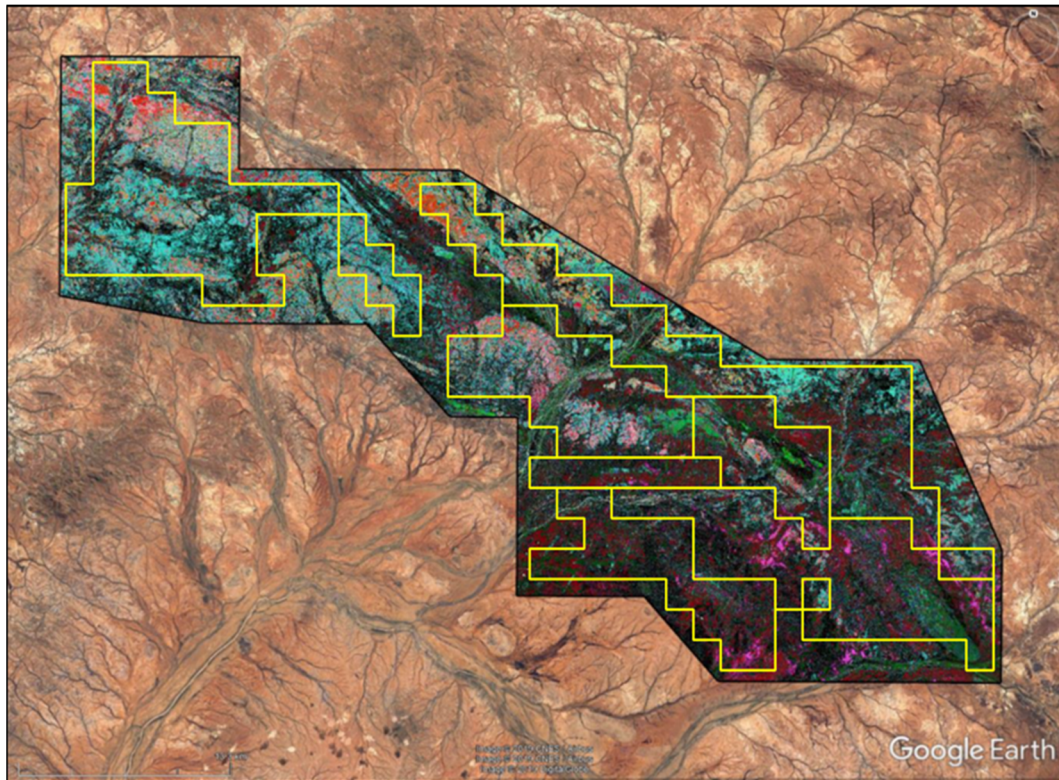


Figure 7: HyMap mineralogy over topography (Arrow tenements in yellow)

PLUMRIDGE NICKEL PROJECT

Fraser Range Province, Western Australia

The Plumridge Nickel Project (**Plumridge**) is a joint venture between Independence Group NL (**IGO**) (90%) and Arrow (10%), covering 2,100km² of exploration licences in the Fraser Range Province of Western Australia. Plumridge is highly prospective for massive nickel-copper sulphides and is located 200km north of the Nova Operation (**Nova**) which is 100%-owned by IGO and produced 30.7kt Ni and 13.7kt Cu in FY2019.

Since entering into the Plumridge joint venture in January 2018, IGO has completed project-wide:

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

IGO has completed drilling of the four bedrock targets that were identified using the aircore drilling, AEM and MLEM datasets. The targets are considered prospective for Nova-style magmatic sulphide mineralisation (Ni-Cu) and Andromeda-style volcanogenic massive sulphide mineralisation (Cu-Zn). IGO plans on introducing a diamond drill rig to further test the Perle and Mafic conductors, in addition to new MLEM targets, Regal and Meera (**Figure 8**).

During the year, IGO met the expenditure commitment to earn 90% interest in Plumridge.

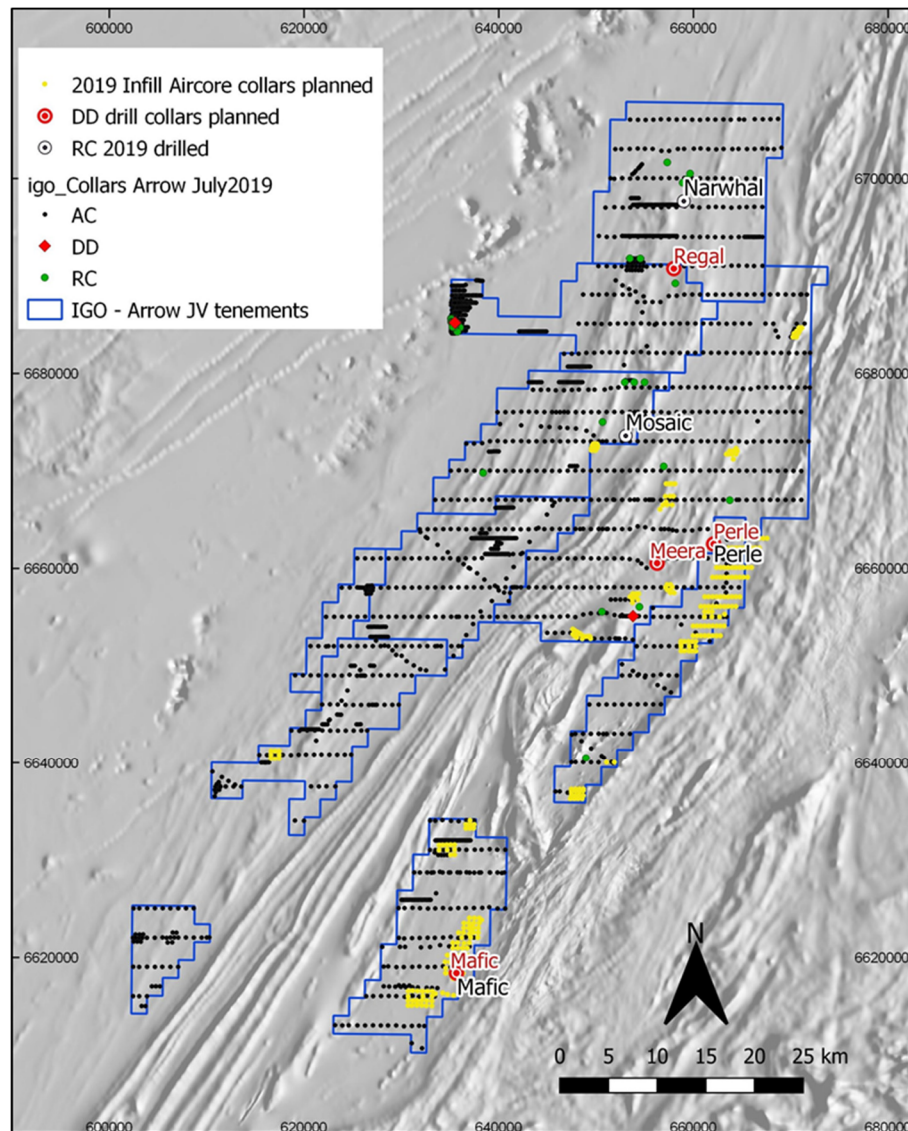


Figure 8: Drilling completed in FY2019 and planned drill holes

PILBARA GOLD PROJECT

Pilbara Region, Western Australia

In August 2018, Arrow disposed of its 49% interest in the Pilbara Gold Project (**Pilbara**) to Pacton Gold Inc. (TSXV: PAC) (**Pacton**) for consideration of C\$1,000,000 (A\$1,060,106) in cash and 2,000,000 Pacton Shares (**Consideration**).

In addition to receiving the Consideration, Arrow retains the following rights and obligations:

- Pacton will pay Arrow C\$200,000 upon granting of the exploration licence applications, with C\$100,000 paid on the grant of each application (during the year C\$100,000 (A\$108,849) was received);
- Arrow will receive a Discovery Bonus of C\$500,000 in cash upon Pacton publishing a gold resource at the Project of over 100,000oz in accordance with National Instrument 43-101 (TSXV equivalent of the JORC Code); and
- Arrow retains all rights to explore, mine and extract lithium, caesium and tantalum.

BOROMO GOLD

Burkina Faso

In June 2019, Arrow announced that it had entered into an agreement to acquire Boromo via an all-scrip transaction, valuing the company at \$2.9 million. Boromo's largest shareholder, GenGold Resource Capital Pty Ltd (**GenGold**) converted 75% of its shareholding in Boromo to Performance Rights (**PR**), demonstrating significant support for the transaction and alignment of value for all shareholders. The acquisition was completed on 26 August 2019, following approval by Arrow shareholders and 100% acceptance from Boromo shareholders.

Arrow now holds a 100% interest in 12 exploration licences and two exploration licence applications, totalling 2,013km², across six gold projects in Burkina Faso (**Figure 9**). The most advanced projects are Divole East and Divole West, where target generation and first pass drilling has been completed. Previous drilling by Boromo at Divole East intersected 9.9m @ 4.3g/t Au from 48m and 8.0m @ 1.7g/t Au.

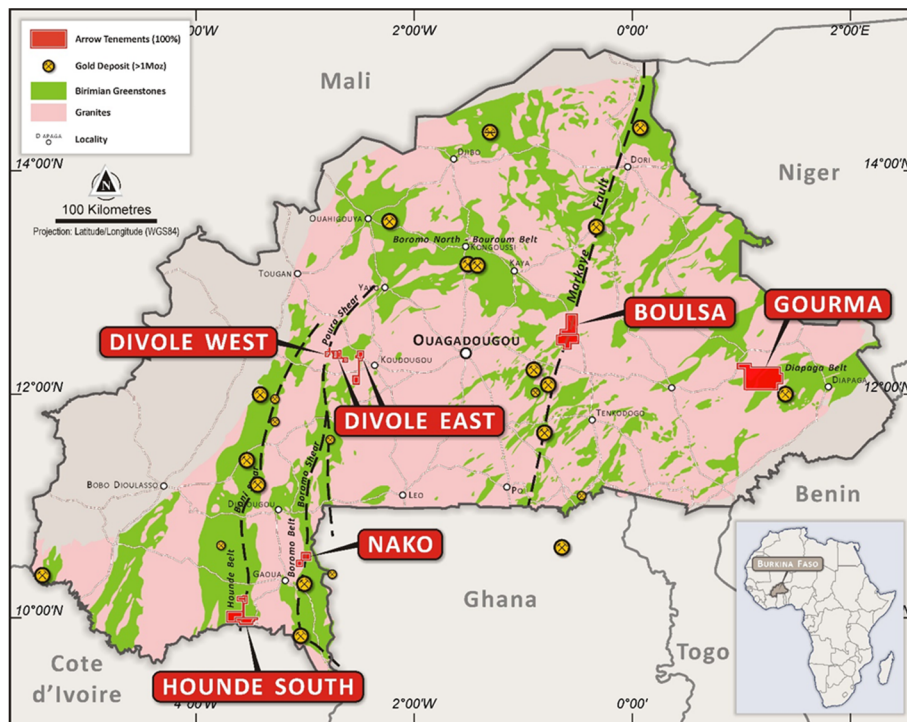


Figure 9: Boromo gold exploration projects – location map

Divole East Project

The Divole East Project consists of 28km² of tenements located on the Boromo-Poura Shear Zone. The Boromo Belt hosts several major gold deposits, including the historic Poura gold mine which produced 0.75Moz of gold at an average grade of ~15g/t Au. The Divole East Project was acquired due to its favourable geological setting on the Boromo-Poura Shear Zone and significant gold mineralisation identified in artisanal workings.

Detailed regolith mapping of the Divole East lease areas was used to guide initial geochemical exploration. Soil samples were collected initially on 400m x 40m spacing over amenable areas, with infill to 200m x 40m spacing undertaken in the gold anomalous zones. The most significant gold anomalies were located along the western edge of the project, coincident with artisanal workings, and the eastern half of the Divole East fold structure.

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

Better drill intersections include:

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

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

An RC drill campaign has been completed to follow up high grade results on the eastern edge of the licence as well as to test N-S structures and laminated veins in the Divole East fold structure (**Figure 10**). The 24 hole programme was recently completed and the results were announced to the market on 17 September 2019.

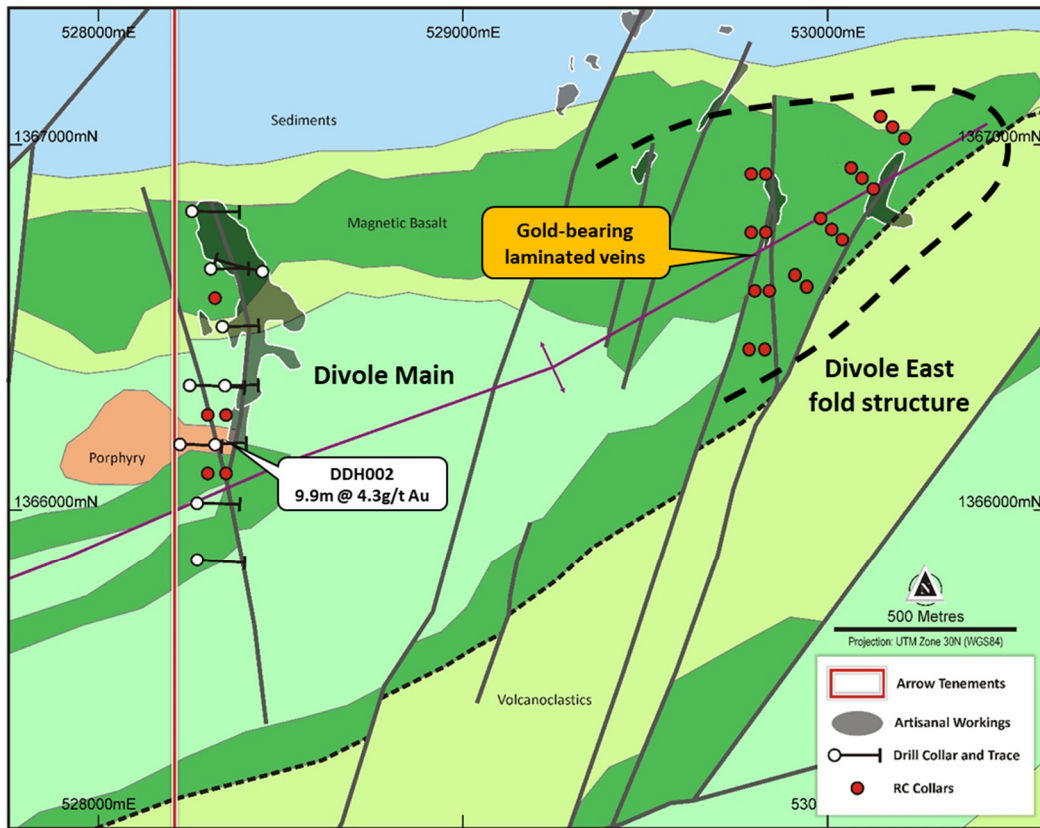


Figure 10: Divole East fold structure detailed geology, structure and artisanal workings with 2017 diamond drilling and completed RC drill collars

Divole West Project

Initial field work at the Divole West Project was completed in early 2017, with a surface and auger geochemical approach used to confirm the geological interpretation and identify geochemically “live” structures in the project area.

Soil sampling on 800m x 80m east-west lines was undertaken in December 2017 (**Figure 11**), with a coherent 3km long NNE-striking gold anomaly identified parallel to and just east of the interpreted position of the Poura Shear Zone. Subsequent infill sampling on 200m x 40m lines confirmed a strong coherent gold-in-soil anomaly with values up to 400ppb Au (0.4g/t Au).

An auger drilling programme at 200m x 40m spacing was completed in March 2018 with a total of 164 holes drilled for 1,064m (average depth 6.5m). Assay results have confirmed the discovery of a previously unknown gold mineralised system with over 2km of strike (**Figure 12**).

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

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

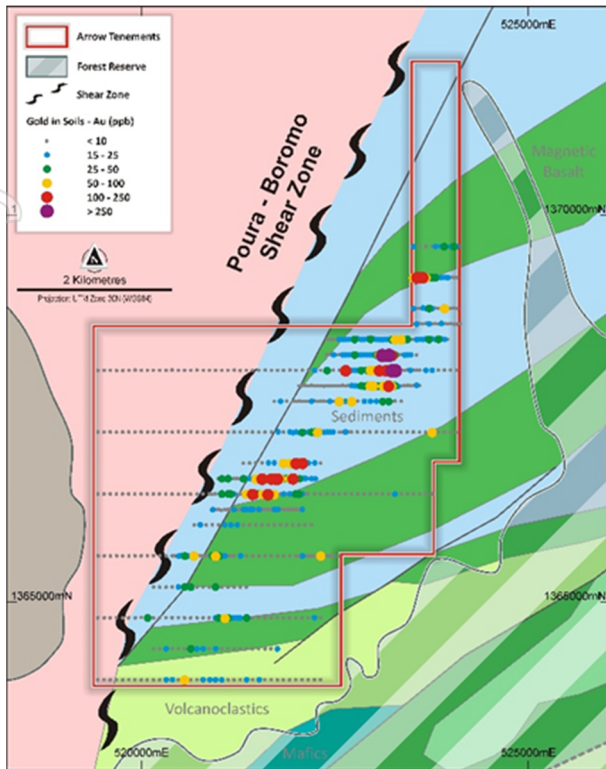


Figure 11: Divole West Regional geology and structure with soil sampling result

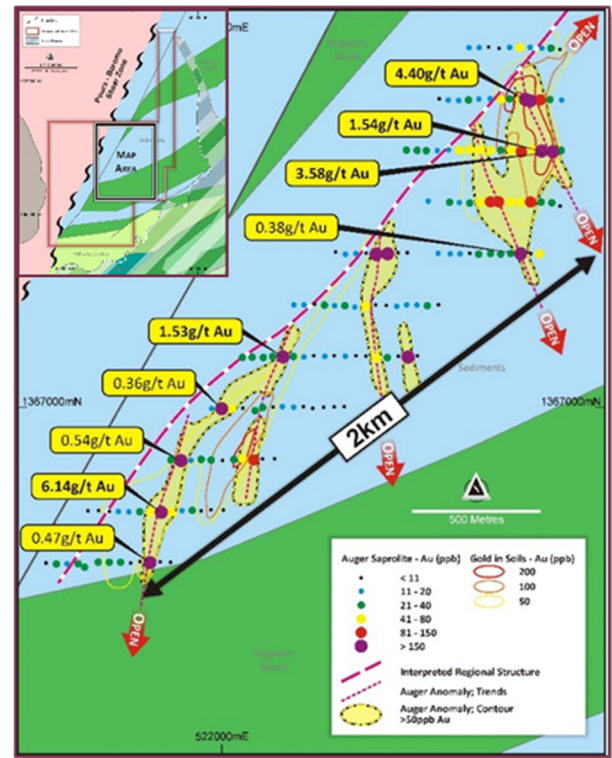


Figure 12: Divole West geology and significant auger drilling results

Boulssa Project

The Boulssa Project covers 491km² of licences located in the highly gold-endowed Markoye Fault corridor (**Figure 13**) which hosts several gold mines and pre-development resource projects, including the Essakane mine 200km to the north, which is the largest gold producer in Burkina Faso, and the Taparko mine 90km to the north of Boulssa. To the south of Boulssa, also on the prospective Markoye Fault, sits the Sanbrado project of West African Resources (ASX: WAF) and B2Gold's Kiaka project.

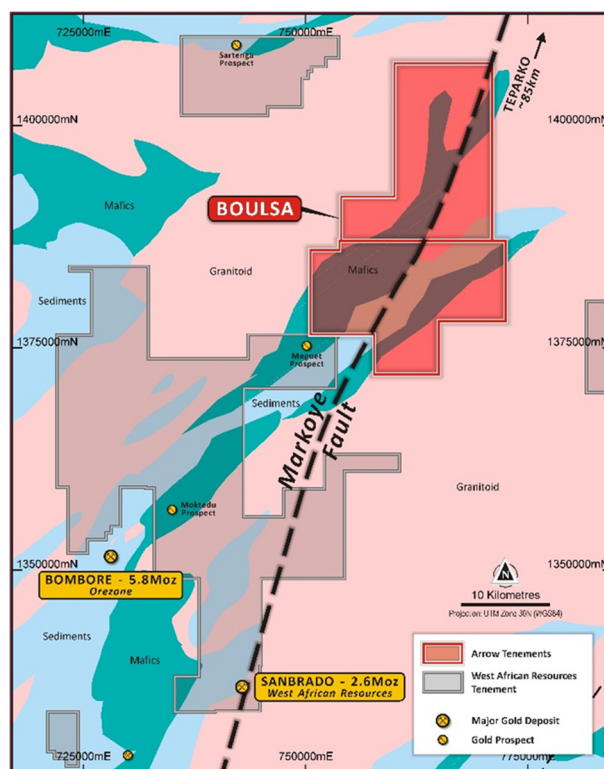


Figure 13: Boulssa geology with structure, permits, deposits and prospects

Arrow will complete detailed regolith and landform mapping prior to planning surface geochemical sampling programmes in areas of gold anomalous stream catchments. Geological mapping will be completed to provide context for ranking gold and polymetallic anomalies (specifically copper-molybdenum associated with porphyry-style mineralisation) defined by the geochemical work.

Hounde South and Nako Projects

The Hounde South and Nako Projects (**Figure 14**) were acquired in 2017. There is little historical mineral exploration over the project areas, with only broadly spaced regional stream sediment sampling completed in the area by BUMIGEB (Burkina government geological survey).

Gold anomalism was detected in the BUMIGEB survey in the south-eastern segment of the Hounde South project. Follow up BLEG stream sediment sampling has been completed by Boromo, however the samples have not yet been submitted for gold analysis.

The Nako project is located in the southern Boromo belt to the north of major gold and copper-gold systems at Batie West (Centamin) and Gaoua (B2Gold). The project encompasses the major Boromo Shear Zone corridor where it coincides with the eastern flank of a major granitoid batholith. A large intermediate intrusion complex hosts porphyry-style (Cu-Au) mineralisation in the tenement block. The Kunche deposit in Ghana is located on a parallel structural corridor some 30km SE of Nako.

Regional stream sediment sampling by BUMIGEB indicates the presence of significant gold anomalism up to 75ppb in the northern part of the project. Follow-up BLEG stream sediment sampling has been completed by Boromo, however the samples have not yet been submitted for gold analysis.

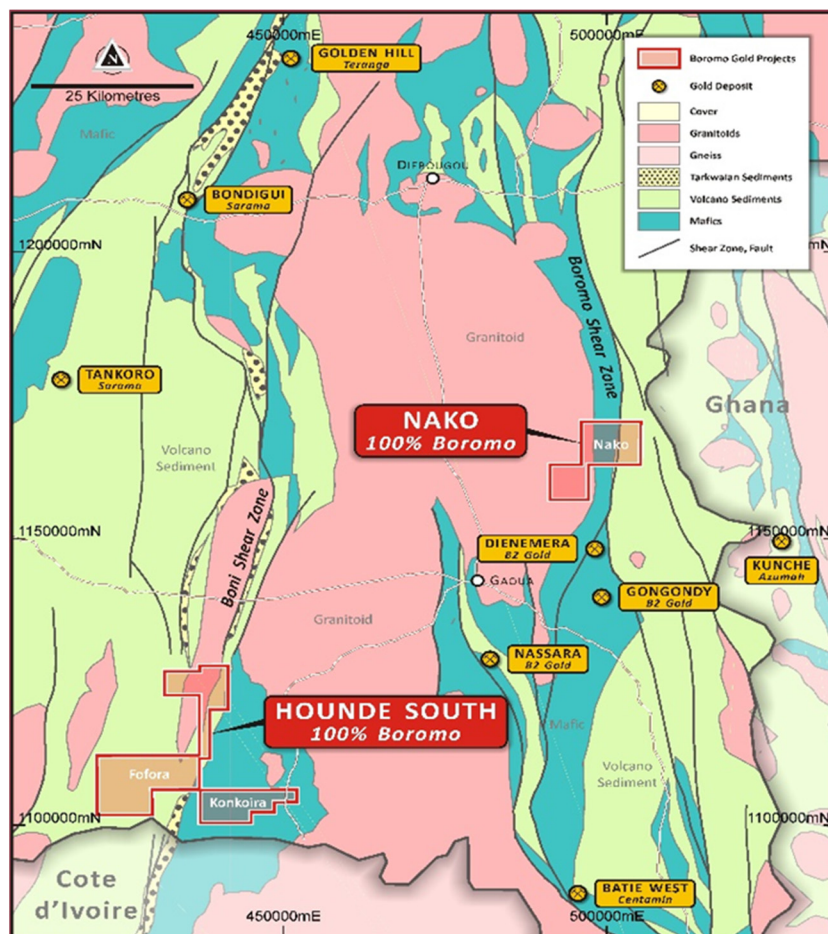


Figure 14: Hounde South and Nako geology with structure, permits and deposits

Following assaying of the existing BLEG stream sediment samples, Arrow plans on completing soil geochemistry and drilling as appropriate at Hounde South and Nako in late 2019/early 2020.

Gourma Project

The Gourma Project area covers the western flank of the Diapaga greenstone belt and is interpreted to include significant areas of unexplored greenstone belt (**Figure 15**). The Gourma Project was acquired in 2017 as a conceptual target in an emerging gold belt where little exploration work has been completed to date. However, artisanal gold workings are known in an area from 5km east of the Gourma project boundary through to the Boungou gold camp which is 10km south-east of the Gourma project boundary.

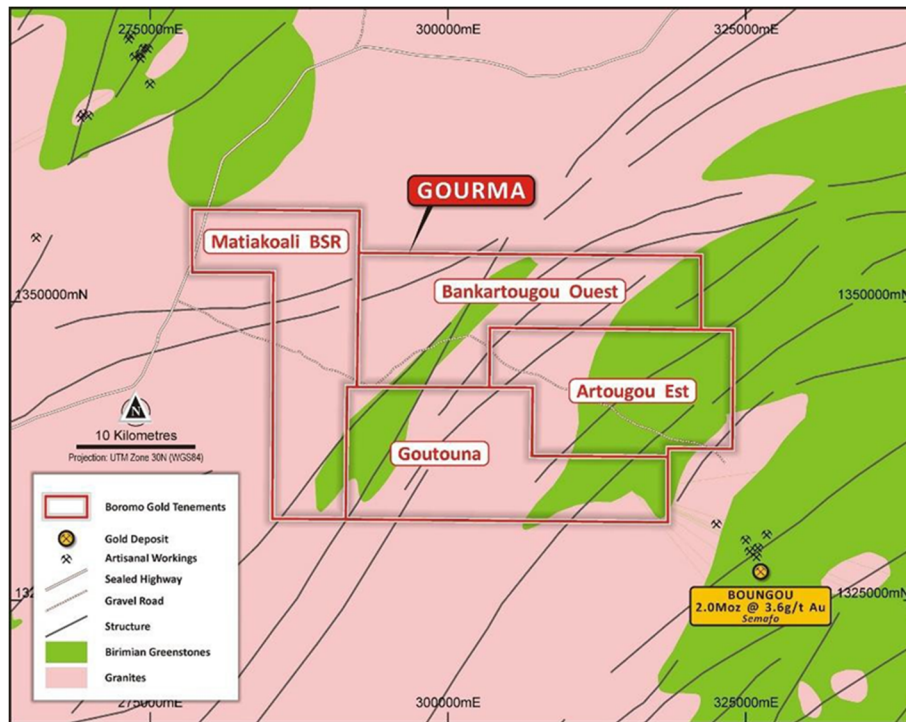


Figure 15: Gourma geology with structure, permits and deposits

Boromo has completed reconnaissance field traversing to field check regolith conditions and outcrop across the south eastern sector of the project and confirmed the presence of prospective high metamorphic grade greenstone rocks and various felsic to intermediate granitoids and orthogneiss.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Howard Golden who is a Member of the Australian Institute of Geoscientists. Mr Golden is a full-time employee of Arrow, as at the date of this report, and has more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves". Mr Golden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Additionally, Mr Golden confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

CORPORATE AND FINANCIAL

Acquisition of Boromo and Share Placement

On 26 June 2019, the Company announced it had entered into a binding agreement to acquire Boromo, via an all-scrip transaction. The acquisition was completed on 26 August 2019, following Arrow shareholder approval and 100% acceptance from Boromo shareholders.

In conjunction with the acquisition of Boromo, Arrow completed a two-tranche placement to raise \$2.1 million at an issue price of 1¢ per share plus a 1 for 2 attaching option (ex. price 2¢, expiry 22 August 2022) (**Placement**). As part of the Placement, Arrow entered into a strategic alliance with Capital Drilling Limited (LON: CAPD) (**Capital Drilling**) who subscribed for \$0.8 million of shares in the Placement (approx. 10% of Arrow's issued capital). Capital Drilling will provide drilling services to Arrow in Burkina Faso over an initial two-year period.

Lapse of Options

On 3 August 2018, 714,285 unquoted options exercisable at 12.6¢ lapsed.

On 30 June 2019, 8,571,408 unquoted options exercisable at 17.5¢ lapsed.

Capital Structure

The capital structure of Arrow, as at date of directors' report, is set out below:

Quoted Securities

Ordinary shares on issue (ASX:AMD)	844,138,519
Options exercisable at 10.0¢ on or before 31/12/2019 (ASX:AMDOA)	120,872,133

Unquoted Securities

Options exercisable at 7.0¢ on or before 31/12/2019	13,146,469
Options exercisable at 2.0¢ on or before 22/08/2022	120,150,000
Options exercisable at 1.45¢ on or before 22/08/2023	37,500,000
Class A Performance Rights subject to performance conditions expiring on 26/08/2022	69,682,290
Class B Performance Rights subject to performance conditions expiring on 26/08/2022	69,682,290
Class C Performance Rights subject to performance conditions expiring on 26/08/2023	69,682,300

EVENTS AFTER THE BALANCE SHEET DATE

Completion of Boromo Acquisition and Two-Tranche Share Placement

On 15 August 2019, Arrow advised that its shareholders had approved the acquisition of Boromo through an all-scrip transaction. On 26 August 2019, Arrow acquired 100% of the issued capital of Boromo through the issue 289,297,910 ordinary shares and 209,046,880 Performance Rights to Boromo shareholders and Performance Rights holders.

As a result of the acquisition of Boromo, the role of Managing Director was made redundant and Mr Steven Michael's employment as Managing Director was terminated. Mr Michael will continue as an Executive Director. Mr Matthew Foy was also made redundant as Company Secretary. Messrs Michael and Foy both qualified for genuine redundancy under TR 2009/2 and received a statutory redundancy payment and a termination payment as stipulated within their respective service agreements disclosed within the Remuneration Report.

On 5 July 2019 and 22 August 2019, Arrow completed a two-tranche placement to raise a total of \$2.1 million through the issue of 220,300,000 ordinary shares and 120,150,000 options exercisable at 2¢ on or before 22 August 2022.

Other than the above, there have been no events subsequent to balance date of a nature that would require disclosure.

SIGNIFICANT CHANGE IN THE STATE OF AFFAIRS

There were no events of a material nature that have affected significantly the results or state of affairs of the Company, other than those mentioned in this report.

REVIEW AND RESULTS OF OPERATIONS

The principal activity of the Company and its subsidiaries (the **Group**) during the year was mineral exploration. The net loss after tax for the year ended 30 June 2019 was \$3,909,752 (2018: Loss of \$550,628). During the year, the Group wrote off \$2,625,876 in exploration and evaluation assets (2018: \$1,767,288).

Summary of Financial Position

At 30 June 2019, the Group's cash reserves were \$753,368 (2018: \$3,758,484). The decrease in cash was due to exploration expenditure of \$3,135,060 (2018: \$2,966,965) and no capital raisings during the year (2018: \$5,142,784). Net assets of the Group as at 30 June 2019 were \$9,996,662 (2018: \$13,769,008).

Environmental Regulation

The Company is subject to and compliant with all aspects of environmental regulation of its exploration activities. The Directors are not aware of any environmental law that is not being complied with.

Future Developments

- The Group will continue to explore its Strickland Gold, Malinda Lithium and Plumridge Nickel Projects in Western Australia and commence exploration at its newly acquired projects in Burkina Faso; and
- The Group continues to review new project venture opportunities which are consistent with its strategy to become a diversified minerals explorer.

Dividends

No dividend has been paid since the end of the financial period or recommended for the current year.

Proceedings on Behalf of the Group

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

REMUNERATION REPORT (AUDITED)

Remuneration of directors and executives is referred to as compensation throughout this report. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group including directors of the Company and other executives.

The following were key management personnel of the Company at any time during the previous and current financial year and have been in office for the entire period unless indicated otherwise:

- | | |
|---------------------|--|
| • Dr Frazer Tabcart | Non-Executive Chairman (appointed 31 January 2019) |
| • Mr Nicholas Ong | Non-Executive Director (resigned 26 August 2019) |
| • Mr Steven Michael | Managing Director |
| • Mr Matthew Foy | Company Secretary |
| • Mr Dean Tuck | Exploration Manager (resigned 28 February 2019) |
| • Ms Jenine Owen | Chief Financial Officer (commenced 30 July 2018) |

Compensation levels for directors and key management personnel of the Company are competitively set to attract and retain appropriately qualified and experienced directors and executives.

The Board is responsible for compensation policies and practices. The Board, where appropriate, seeks independent advice on remuneration policies and practices, including compensation packages and terms of employment.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company.

A remuneration consultant has not been employed by the Company to provide recommendations in respect of remuneration, given the size of the Group and its current structure.

Cash bonuses equal to a maximum of 50% of salary may be paid, at the discretion of the Board, as part of the Short Term Incentive Plan.

Non-Executive Directors

Total remuneration for all Non-Executive Directors, is not to exceed \$250,000 per annum as approved by shareholders. This does not include consulting fees.

Non-Executive Directors received a fixed fee for their services of \$36,000 per annum (excl. GST, excl. share-based payments) for services performed.

There is no direct link between remuneration paid to any Non-Executive Directors and corporate performance. There are no termination or retirement benefits for Non-Executive Directors (other than statutory superannuation).

Remuneration

Details of the remuneration of the Key Management Personnel of Arrow are set out in the following table. Currently, directors are responsible for the management of the Group.

	Position	Short-term Salary & fees	Post employment benefits	Long service leave	Equity settled share based payments	Total	Performance-related remuneration rec'd in shares
30 June 2019							
S Michael ¹	MD & CEO	\$320,458	\$25,000	\$5,000	\$46,000	\$396,458	11%
F Tabeart ²	Non-Exec. Chairman	\$36,000	-	-	\$13,836	\$49,836	28%
N Ong ³	Non-Exec. Director	\$36,000	-	-	\$13,836	\$49,836	28%
M Foy	Company Secretary	\$70,000	\$6,650	\$9,297	\$13,178	\$99,125	13%
J Owen ⁴	Chief Financial Officer	\$95,424	\$9,065	-	\$895	\$105,384	1%
D Tuck ⁵	Exploration Manager	\$133,462	\$11,086	-	\$25,488	\$170,036	15%
Total		\$691,344	\$51,801	\$14,297	\$113,233	\$870,675	13%
Restated 30 June 2018⁶							
S Michael	MD & CEO	\$311,077	\$61,923	\$7,484	\$133,956	\$514,440	26%
F Tabeart ²	Non-Exec. Director	\$28,000	-	-	\$57,967	\$85,967	67%
N Ong ³	Non-Exec. Director	\$28,000	-	-	\$57,967	\$85,967	67%
M Foy	Company Secretary	\$64,133	\$8,104	-	\$45,435	\$117,672	39%
D Tuck	Exploration Manager	\$159,060	\$15,110	-	\$80,557	\$254,727	32%
Total		\$590,270	\$85,137	\$7,484	\$375,882	\$1,058,773	36%

1. Mr Michael's short-term salary & fees exceeds \$25,000 per month as \$20,458 of annual leave was cashed out during the year (2018: \$21,077).
2. Director fees for Dr Frazer Tabeart were paid to Geogen Consulting Pty Ltd, a related entity of Dr Frazer Tabeart. Short-term salary & fees does not include an additional \$10,120 (2018: \$1,200) paid to Geogen Consulting Pty Ltd for consulting services.
3. Director fees for Mr Nicholas Ong were paid to Minerva Corporate Pty Ltd, a related entity of Mr Nicholas Ong.
4. Ms Owen commenced on 30 July 2018.
5. Mr Tuck resigned on 28 February 2019. Salary includes an ex-gratia payment of \$8,000.
6. Certain amounts shown here do not correspond to the 30 June 2018 remuneration report and reflect adjustments disclosed in Note 2 to the financial statements. Key Management Personnel equity settled share based payment remuneration for the year ended 30 June 2018 increased by \$154,574 (Mr Michael: \$57,468, Dr Tabeart: \$15,533, Mr Ong: \$21,588, Mr Foy: \$19,612 and Mr Tuck: \$40,373).

Share Based Remuneration

Options

No options were granted to directors for remuneration during the financial year and there were no outstanding options over ordinary shares held by directors at 30 June 2019.

Shares

On 17 April 2014, shareholder approval was received for the adoption of an employee incentive scheme, known as the Employee Share Plan (**ESP** or **Plan**).

The objective of the ESP is to attract directors with suitable qualifications, skills and experience to plan, carry out and evaluate the Company's Strategy and to motivate and retain those directors.

A material feature of the Plan is the issue of Shares pursuant to the Plan may be undertaken by way of provision of a limited-recourse, interest free loan to be used for the purposes of subscribing for the Shares. The term of each loan will be 3 years from the date of issue of the Shares, subject to earlier repayment in accordance with the terms of the Plan (e.g. ceasing to be an employee of the Company or an event of insolvency).

The Shares issued to the Eligible Participants will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares, other than being subject to a holding lock until such time as the respective restriction conditions have been satisfied, including the completion of any restriction period, and any Loan has been extinguished or repaid under the terms of the Plan.

Although these are shares for legal and taxation purposes, Accounting Standards require they be treated as options for accounting purposes. See Note 21 Share Based Payments for further details.

ESP Terms and Conditions

Participants in the ESP may be directors of the Company or any of its subsidiaries or any other related body corporate of the Company.

Issue price: The issue price of each Share will be a 1% discount to the volume weighted average of the Company's Shares over the 5 days of trading on the ASX immediately prior to the issue of the Plan Shares, or such other price as the Board determines.

Restriction Conditions: Shares may be subject to restriction conditions relating to milestones (such as a period of employment) or escrow restrictions that must be satisfied before the Shares can be sold, transferred, or encumbered. Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Plan.

Extension of Escrow Condition: If an Eligible Participant ceases to be an Eligible Participant as a result of an occurrence other than certain bad leaver occurrences prior to the satisfaction of all Restriction Conditions, the escrow restriction applied under the Escrow Condition in relation to the Plan Shares held by the Participant will be extended by 6 months.

Where a Milestone Condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company may, unless the Milestone Condition is waived by the Board, either:

- (i) buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied or was waived (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act in consideration for the cancellation of any Loan granted;
- (ii) cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied or was waived (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act in consideration for the cancellation of any Loan granted; or
- (iii) in the event that such a buy-back or cancellation of Shares cannot occur, require the Participant to sell the Shares as soon as reasonably practicable either on the ASX and give the Company the sale proceeds (**Sale Proceeds**), which the Company will apply in the following priority:
 - (A) first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;
 - (B) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant; and
 - (C) lastly, any remainder to the Company to cover its costs of managing the Plan.

Restriction on transfer: Other than as specified in the Plan, Participants may not sell or otherwise deal with a Share until the Loan Amount in respect of that Share has been repaid and any restriction conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.

For details of ESP shares issued in the previous financial year refer to the remuneration report of the 2018 Annual Report.

A full summary of the ESP was set out in the Notice of General Meeting dated 22 October 2018.

At the general meeting of the Company, held on 22 October 2018, shareholders approved the provision of a limited-recourse, interest free loan to each of Messrs Michael, Tabcart and Ong, for the purpose of subscribing for shares in the Company (**Plan Shares**). On 22 November 2018, shareholder approval was received for Dr Frazer Tabcart and Messrs Steven Michael and Nicholas Ong to subscribe for additional shares under the Plan.

The Plan Shares are subject to a holding lock until the relevant milestones set out below have been met:

Milestones

1. Discovery of a mineralised prospect with multiple drill intersections of at least 15 gram metres gold (e.g. two separate drill intersections of 5 metres @ 3g/t Au), or gold equivalent.
2. Discovery of multiple mineralised prospects as defined in Milestone 1.
3. Announce a JORC-compliant resource of 100,000oz of gold at a minimum grade of 1.0g/t Au (or equivalent for other metals).
4. Combined capital raising of \$2 million through a combination of either equity issues at an average issue price at least 75% of the 15-day VWAP prior to each issue and/or proceeds from asset sales (or farm-out joint ventures).
5. Total shareholder return over any 12-month period exceeding +25%.
6. Continue to be an employee or Director of AMD until 31 December 2019.

Of the above 6 milestones, the achievement of 4 will vest 100% of the shares, with 25% of the shares vesting on the achievement of each milestone.

On 22 November 2018, an additional issue was made of 9,000,000 Plan Shares to Messrs Michael, Tabcart and Ong. These shares have been valued using the Black-Scholes option pricing model, with the following inputs for the relevant milestones.

	Milestones 1-5	Milestone 6
Number of shares	6,750,000	2,250,000
Underlying share price	\$0.015	\$0.015
Exercise price	\$0.015	\$0.015
Expected volatility	86%	86%
Expiry date (years)	3	1
Expected dividends	-	-
Risk-free rate	2.12%	2.12%
Value per option	\$0.0083	\$0.0053

Share holdings (incl. Plan Shares)

The number of ordinary shares in the Company held during the financial year by each Director of Arrow and any other key management personnel of the Company, including their personally related parties, are set out below:

		Opening Balance No.	Granted as remuneration¹ No.	Net other change No.	Closing balance No.
30 June 2019					
S Michael	MD & CEO	4,644,284	4,000,000	292,858 ²	8,937,142
F Tabcart	Non-Exec. Chairman	1,591,964	400,000	(464,285) ³	1,527,679
N Ong	Non-Exec. Director	1,420,536	400,000	(214,286) ³	1,606,250
M Foy	Company Secretary	1,771,252	800,000	(200,000) ³	2,371,252
J Owen	Chief Financial Officer	-	300,000	-	300,000
D Tuck	Exploration Manager	3,047,115	1,250,000	(4,297,115) ⁴	-
Total		12,475,151	7,150,000	(4,882,828)	14,742,323
30 June 2018					
S Michael	MD & CEO	2,515,713	2,000,000	(128,571) ⁵	4,644,284
F Tabcart	Non-Exec. Director	1,500,000	375,000	(280,036) ³	1,591,964
N Ong	Non-Exec. Director	1,192,857	375,000	(147,321) ³	1,420,536
M Foy	Company Secretary	1,117,701	500,000	153,551 ⁶	1,771,252
D Tuck	Exploration Manager	1,410,107	1,500,000	137,008 ⁷	3,047,115
Total		7,736,378	4,750,000	(268,369)	12,475,151

1. Subject to meeting vesting conditions, which remained unvested.
2. Comprising:
 - a. Cancellation of 557,142 Employee Share Plan Shares following expiration of term; and
 - b. Purchase of 850,000 shares on market.
3. Comprising the cancellation of Employee Share Plan Shares following expiration of term.
4. Comprising:
 - a. Sale of 979,259 shares on market; and
 - b. 3,317,856 included as net other change as Dean Tuck resigned from his position of Exploration Manager on 28 February 2019.
5. Comprising:
 - a. Cancellation of 371,429 Employee Share Plan Shares following expiration of term; and
 - b. Purchase of 500,000 shares @3.0¢ pursuant to Share Purchase Plan on 31 July 2019.
6. Comprising:
 - a. Purchase of 35,000 shares pursuant to placement @3.0¢;
 - b. Purchase of 107,150 shares on market;
 - c. Purchase of 344,829 shares pursuant to placement @2.9¢;
 - d. Sale of 237,000 shares on market; and
 - e. Cancellation of 96,428 Employee Share Plan Shares following expiration of term.
7. Comprising:
 - a. Purchase of 283,333 shares pursuant to placement @3.0¢;
 - b. Sale of 93,000 shares on market;
 - c. Purchase of 93,104 shares pursuant to placement @2.9¢; and
 - d. Cancellation of 146,429 Employee Share Plan Shares following expiration of term.

Option holdings

The number of options in the Company held during the financial period by each Director of Arrow Minerals Limited and any other key management personnel of the Company, including their personally related parties, are set out below:

		Opening Balance <i>No.</i>	Granted as remuneration <i>No.</i>	Options exercised <i>No.</i>	Net other change ¹ <i>No.</i>	Closing balance <i>No.</i>	Vested and exercisable <i>No.</i>
30 June 2019							
S Michael	MD & CEO	653,572	-	-	-	653,572	653,572
F Tabart	Non-Exec. Chairman	375,000	-	-	-	375,000	375,000
N Ong	Non-Exec. Director	298,215	-	-	-	298,215	298,215
M Foy	Company Secretary	693,407	-	-	-	693,407	693,407
J Owen	Chief Financial Officer	-	-	-	-	-	-
D Tuck	Exploration Manager	803,201	-	-	(803,201) ²	-	-
Total		2,823,395	-	-	(803,201)	2,020,194	2,020,194
30 June 2018							
S Michael	MD & CEO	-	-	-	653,572	653,572	653,572
F Tabart	Non-Exec. Director	-	-	-	375,000	375,000	375,000
N Ong	Non-Exec. Director	-	-	-	298,215	298,215	298,215
M Foy	Company Secretary	-	-	-	693,407	693,407	693,407
D Tuck	Exploration Manager	-	-	-	803,201	803,201	803,201
Total		-	-	-	2,823,395	2,823,395	2,823,395

1. Purchased pursuant to a pro-rata non-renounceable options entitlement issue, exercisable at 10¢ on or before 31 December 2019.
2. 803,201 included as net other change as Dean Tuck resigned from his position of Exploration Manager on 28 February 2019.

Service Agreements

As at the date of this report, the Company had service agreements with the following key management personnel:

Frazer Tabeart – Non-executive Chairman

Non-executive Directors' fees and payments are reviewed annually by the Board. For the year ended 30 June 2019, remuneration for Dr Tabeart was \$36,000 per annum exclusive of superannuation and GST. There are no termination or retirement benefits paid to non-executive Directors (other than statutory superannuation). A Director may also be paid fees or other amounts as the Directors determine, if a Director performs special duties or otherwise performs duties outside the scope of the normal duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Non-executive Directors are able to participate in the employee share loan plan. In addition, in order to align their interests with those of shareholders, the non-executive Directors are encouraged to hold shares in the Company.

Nicholas Ong – Non-executive Director

Non-executive Directors' fees and payments are reviewed annually by the Board. For the year ended 30 June 2019, remuneration Mr Ong was \$36,000 per annum exclusive of superannuation and GST. There are no termination or retirement benefits paid to non-executive Directors (other than statutory superannuation). A Director may also be paid fees or other amounts as the Directors determine, if a Director performs special duties or otherwise performs duties outside the scope of the normal duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Non-executive Directors are able to participate in the employee share loan plan. In addition, in order to align their interests with those of shareholders, the non-executive Directors are encouraged to hold shares in the Company.

Howard Golden – Chief Executive Officer

Commenced on 26 August 2019 with no set term. If the Company wishes to terminate the contract, other than if Mr Golden commits any act of serious misconduct, the Company is obliged to give three months' written notice or pay out three months' of annual salary and pay a termination payment equivalent to three months' annual salary. If Mr Golden wishes to terminate the contract he must provide three months' notice. Mr Golden will be paid a fee of \$250,000 per annum (excluding compulsory superannuation) for his services as Chief Executive Officer.

Steven Michael – Executive Director (previously Managing Director)

Commenced on 6 July 2011 with no set term. If the Company wishes to terminate the contract, other than if Mr Michael commits any act of serious misconduct, the Company is obliged to give three months' written notice or pay out three months annual salary and pay a termination payment equivalent of three months' annual salary. If Mr Michael wishes to terminate the contract, he must provide three months' notice. Mr Michael was paid a fee of \$25,000 per month (excluding compulsory superannuation) for his services as Managing Director and CEO.

Subsequent to year end, Mr Michael's employment as Managing Director was terminated. Mr Michael will continue as an Executive Director. Mr Michael qualified for genuine redundancy under TR 2009/2 and received a statutory redundancy payment and a termination payment as stipulated within the service agreements disclosed above.

Mr Michael entered into a service agreement for his position as an Executive Director such that; if the Company wishes to terminate the contract, other than if Mr Michael commits any act of serious misconduct, the Company is obliged to give one month's written notice or pay out one months' of Annual Salary. If Mr Michael wishes to terminate the contract he must provide one month's notice. Mr Michael will be paid a fee of \$250,000 per annum (excluding compulsory superannuation) for his services as Executive Director.

Matthew Foy

Commenced on 12 July 2011 with no set term. If the Company wishes to terminate the contract, other than if Mr Foy commits any act of serious misconduct, the Company is obliged to give three months' written notice or pay out three months of annual salary and pay a termination payment equivalent of three months' annual salary. If Mr Foy wishes to terminate the contract, he must provide three months' notice. Subsequent to the period on 30 August 2019, the Company provided notice to Mr Foy that it will terminate his employment by giving Mr Foy three months' notice.

Subsequent to year end, Mr Foy's employment as Company Secretary was terminated. Mr Foy qualified for genuine redundancy under TR 2009/2 and received a statutory redundancy payment and a termination payment as stipulated within the service agreements disclosed above.

Jenine Owen – Chief Financial Officer

Commenced on 30 July 2018 with no set term. If the Company wishes to terminate the contract, other than if Ms Owen commits any act of serious misconduct, the Company is obliged to give six months' written notice or pay out six months annual salary. Ms Owen may elect within three months of the written notice being provided to have the final three months' notice period to be paid as a termination payment equivalent to three months annual salary by giving written notice to this effect. If Ms Owen wishes to terminate the contract, she must provide three months' notice. Ms Owen will be paid a fee of \$9,333 per month (excluding compulsory superannuation) for her services as Chief Financial Officer.

Transactions with key management personnel

The Company entered into a service agreement with Minerva Corporate Pty Ltd effective 2 April 2014 for the provision of Directorial and Company Secretarial services. Messrs Ong & Foy are related parties of Minerva Corporate Pty Ltd and Arrow.

This service agreement was amended in August 2014 to exclude Company Secretarial services.

During the year, an amount of \$43,722 (2018: \$33,387) inclusive of GST was paid or payable in relation to these services.

All of the Director fees for Mr Ong were remitted to Minerva Corporate Pty Ltd during the current and prior year.

Mr Foy will continue to provide Company Secretarial services as an employee of Arrow until the expiry of his notice period, being 30th November 2019.

Dr Tabcart's remuneration for the year was paid directly to his related party, Geogen Consulting Pty Ltd. During the year, an additional \$10,120 (2018: \$1,200) was paid to Geogen Consulting Pty Ltd for consulting services.

The Company entered into a service agreement with Mitchell River Group Pty Ltd effective 6 July 2016 for the provision of exploration database management services. Dr Tabcart is a related party of Mitchell River Group Pty Ltd and Arrow.

During the year, an amount of \$44,649 (2018: \$25,990) inclusive of GST was paid or payable in relation to these services.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Other Financial Information

The following table shows gross income, losses and dividends for the last five years for the listed entity, as well as the share prices at the end of the respective financial years.

	30 June 2019 \$	30 June 2018 ¹ \$	30 June 2017 \$	30 June 2016 \$	30 June 2015 \$
Revenue	35,503	7,462	10,999	10,250	9,040
Net loss before tax	3,909,752	685,532	887,642	794,509	2,438,493
Net loss after tax	3,909,752	550,628	887,642	794,509	2,438,493
Share price at start of year (cents)	2.5	2.6	0.3	0.2	1.0
Share price at end of year (cents)	1.1	2.5	2.6 ²	0.3	0.2
Basic and diluted (loss) per share (cents)	(1.256)	(0.270)	(0.867)	(0.03)	(0.12)

1. Refer Note 2 of the Financial Statements for restatement of prior period balances.

2. Note that on 13 April 2017 there was a 1 for 35 share consolidation.

Adoption of Remuneration Report by Shareholders

The adoption of the Remuneration Report for the financial year ended 30 June 2018 was put to the shareholders of the Company at the Annual General Meeting held 22 November 2018 (**AGM**). The resolution was passed without amendment on a show of hands (86.1% of proxies voted in favour). The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Remuneration Report

Directors' Interests in the Shares and Options of the Company

As at the date of this report, the relevant direct and indirect interest of each director in the shares and options of Arrow Minerals Limited were:

	Ordinary shares <i>No.</i>	Options <i>No.</i>	Performance Rights <i>No.</i>
Dr Frazer Tabeart	3,027,679	375,000	-
Mr Steven Michael	9,687,142	653,572	-
Mr Tommy McKeith ¹	69,151,050	1,000,000	209,046,880
Mr Morgan Ball	1,916,667	-	-

1. Mr McKeith is a Director of GenGold Resource Capital Pty Ltd which owns 61,484,380 ordinary shares and 209,046,880 Performance Rights.

Shares under Options

No options were exercised during the 2019 financial year and no shares have been issued from the exercise of options since year-end to the date of this report. No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate. The names of all holders of options are entered into the Company's register, inspection of which may be made free of charge.

The following options over ordinary shares of the Company existed at reporting date:

Expiry date	No.	Exercise price
31 December 2019	13,146,469	7.0¢ ¹
31 December 2019	120,872,133	10.0¢ ²
22 August 2022	120,150,000	2.0¢ ¹
22 August 2023	<u>37,500,000</u>	1.45¢ ¹
	<u>291,668,602</u>	

1. These options are unlisted.
2. These options are listed.

Meetings of Directors

The following directors' meetings (including meetings of committees of directors) were held during the year and the number of meetings attended by each of the directors during the year were:

	Director's meetings		Remuneration Committee		Audit Committee	
	eligible to attend	meetings attended	eligible to attend	meetings attended	eligible to attend	meetings attended
Steven Michael	4	4	-	-	-	-
Nicholas Ong	4	4	1	1	1	1
Frazer Tabeart	4	4	1	1	1	1

Officers' and Auditor Indemnities and Insurance

During the year, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors' and Officers' Liability Insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company or a related body corporate.

The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the premium paid is subject to a confidentiality clause under the insurance policy.

The Company has entered into an agreement with the Directors and certain officers to indemnify these individuals against any claims and related expenses which arise as a result of work completed in their respective capabilities.

The Company nor any of its related bodies corporate have provided any insurance for any auditor of the Company or a related body corporate.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or Group are important.

Details of the amount paid or payable to the auditor (Pitchers Partners BA&A Pty Ltd) or its associates for the audit and non-audit services provided during the year are set out in Note 3 to this report.

The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' report and in the financial report have been rounded to the nearest dollar.

Auditor's Independence Declaration

We have obtained an independence declaration from our auditors which is included on page 28.

Signed in accordance with a resolution of the directors



Steven Michael
Executive Director

Perth, 24 September 2019

Corporate Governance Statement

The Board of Directors of Arrow is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Arrow on behalf of the shareholders by whom they are elected and to whom they are accountable.

Arrow's corporate governance practices were in place throughout the year ended 30 June 2019 and were compliant with the ASX Governing Council's best practice recommendations, unless otherwise stated.

Information on Corporate Governance is available on the Company's website at:

<https://arrowminerals.com.au/corporate-governance/>

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ARROW MINERALS LIMITED**

In relation to the independent audit for the year ended 30 June 2019, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants*.

This declaration is in respect of Arrow Minerals Limited and the entities it controlled during the year.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD



JOANNE PALMER
Executive Director
Perth, 24 September 2019

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2019

	Notes	2019 \$	Restated [^] 2018 \$
Continuing Operations			
Interest income		35,503	7,462
Gain on disposal of associate	6b	1,284,068	-
Gain on disposal of controlling interest	6c	-	1,284,971
Profit/(loss) on sale of financial assets		(535,798)	-
Net gain/(loss) on financial assets measured at fair value through profit or loss		(1,035,736)	844,590
Profit on sale of tenements		233,956	387,300
Employee benefits expenses	3	(690,251)	(551,892)
Occupancy costs		(70,062)	(28,953)
Write off of exploration and evaluation assets	10	(2,625,876)	(1,767,288)
Finance costs		(10,585)	(9,297)
Depreciation	3	(92,812)	(37,826)
Share based payment expenses		(137,406)	(400,286)
Administration and other expenses		(264,753)	(414,313)
Loss before tax from operations		(3,909,752)	(685,532)
Income tax benefit	4	-	134,904
Loss after tax from operations		(3,909,752)	(550,628)
Other comprehensive income/(loss)			
Items that may be classified subsequently to profit or loss			
Movement in foreign currently translation reserve		-	-
Other comprehensive income/(loss) for the year		-	-
Total comprehensive loss for the year attributable to members of the company		(3,909,752)	(550,628)
		<i>Cents</i>	<i>Cents</i>
Basic and diluted loss per share	16	(1.256)	(0.270)

The above statement should be read in conjunction with the accompanying notes.

[^]Certain amounts shown here do not correspond to the 30 June 2018 financial statements and reflect adjustments disclosed in Note 2.

Consolidated Statement of Financial Position

As at 30 June 2019

	Notes	2019 \$	Restated [^] 2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	753,368	3,758,484
Investments in associates	6	-	738,201
Other financial assets	7	566,283	1,325,200
Trade and other receivables	8	70,614	195,266
Prepayments	9	186,405	9,911
Total current assets		1,576,670	6,027,062
Non-current assets			
Exploration and evaluation assets	10	8,550,831	8,041,647
Property, plant and equipment	11	211,174	301,077
Total non-current assets		8,762,005	8,342,724
TOTAL ASSETS		10,338,675	14,369,786
LIABILITIES			
Current liabilities			
Trade and other payables	12	119,228	342,106
Leave provisions		101,030	73,575
Interest bearing liabilities	13	30,705	28,423
Total current liabilities		250,963	444,104
Non-current liabilities			
Leave provisions		-	34,920
Interest bearing liabilities	13	91,050	121,754
Total non-current liabilities		91,050	156,674
TOTAL LIABILITIES		342,013	600,778
NET ASSETS		9,996,662	13,769,008
EQUITY			
Issued capital	14	35,136,180	35,136,180
Reserves	15	2,003,514	1,865,958
Accumulated losses		(27,143,032)	(23,233,130)
TOTAL EQUITY		9,996,662	13,769,008

The above statement should be read in conjunction with the accompanying notes.

[^]Certain amounts shown here do not correspond to the 30 June 2018 financial statements and reflect adjustments disclosed in Note 2.

Consolidated Statement of Changes in Equity

As at 30 June 2019

	Issued capital	Share based payment reserve	Option reserve	Available for sale reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$	\$	\$
Restated at 1 July 2017[^]	30,404,876	1,419,365	91,257	(150)	(476,281)	(22,682,502)	8,756,565
Loss after tax for the year	-	-	-	-	-	(550,628)	(550,628)
Other comprehensive loss	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-	(550,628)	(550,628)
Issue of Shares (net of costs)	4,731,304	-	-	-	-	-	4,731,304
Issue of Options (net of costs)	-	-	431,481	-	-	-	431,481
Share based payments	-	400,286	-	-	-	-	400,286
Total transactions with equity holders	4,731,304	400,286	431,481	-	-	-	5,563,071
Restated at 30 June 2018	31,136,180	1,819,651	522,738	(150)	(476,281)	(23,233,130)	13,769,008
At 1 July 2018	31,136,180	1,568,625	522,738	(150)	(476,281)	(23,773,852)	12,977,260
Net effect of restatement	-	251,026	-	-	-	540,722	791,748
Restated at 1 July 2018	35,136,180	1,819,651	522,738	(150)	(476,281)	(23,233,130)	13,769,008
Loss after tax for the year	-	-	-	-	-	(3,909,752)	(3,909,752)
Other comprehensive loss	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-	(3,909,752)	(3,909,752)
Issue of Shares (net of costs)	-	-	-	-	-	-	-
Issue of Options (net of costs)	-	-	-	-	-	-	-
Share based payments	-	137,406	-	-	-	-	137,406
Total transactions with equity holders	-	137,406	-	-	-	-	137,406
Transfer in reserves	-	-	-	150	-	(150)	-
As at 30 June 2019	35,136,180	1,957,057	522,738	-	(476,281)	(27,143,032)	9,996,662

The above statement should be read in conjunction with the accompanying notes.

[^]Certain amounts shown here do not correspond to the 30 June 2018 financial statements and reflect adjustments disclosed in Note 2.

Consolidated Statement of Cash Flows

For the year ended 30 June 2019

	Notes	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,243,146)	(1,033,289)
Interest income received		35,503	7,462
Income tax refund		-	134,904
Net cash used in operating activities	5a	(1,207,643)	(890,923)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of associate, net of costs	6b	1,046,971	-
Proceeds from the sale of controlling interest	6c	-	309,000
Proceeds from the sale of tenements		333,956	1,625,000
Proceeds from sale of shares		162,680	-
Payment for exploration and evaluation activities		(3,135,060)	(2,966,965)
Payment for pre-acquisition costs		(164,103)	-
Payment for property, plant and equipment		(2,910)	(155,303)
Net cash used in investing activities		(1,758,466)	(1,188,268)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares and options, net of issue costs		-	5,142,784
Repayment of lease liabilities		(28,423)	(27,528)
Interest paid		(10,585)	(9,297)
Net cash (used)/from financing activities		(39,007)	5,105,959
Net (decrease)/increase in cash and cash equivalents		(3,005,116)	3,026,768
Cash and cash equivalents at the beginning of the year		3,758,484	731,716
Cash and cash equivalents at the end of the year	5	753,368	3,758,484

The above statement should be read in conjunction with the accompanying notes.

Notes to and forming part of the Consolidated Financial Statements

1. CORPORATE INFORMATION

Arrow Minerals Limited (the **Company**) is a limited company incorporated in Australia. The consolidated financial report of the Company for the year ended 30 June 2019 comprises the Company and its subsidiaries (together referred to as the **Group**).

The financial report was authorised for issue by the directors on 24 September 2019.

The nature of the operation and principal activities of the Group are described in the attached Directors' Report.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial report and by all entities in the consolidated entity.

A. Statement of Accounting Policies

These for-profit general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of Preparation

Historical cost convention

These financial statements have been prepared on an accruals basis and are based on historical costs except where stated otherwise in the notes. Cost is based on the fair values of the consideration given in exchange for assets.

Going Concern

The financial report has been prepared on a going concern basis.

The Consolidated Statement of Cash Flows shows that the Group had net cash used in operating activities of \$1,207,643 (2018: \$890,923) and net cash used in investing activities of \$1,758,466 (2018: \$1,188,268). The Consolidated Statement of Financial Position shows that the Group had cash and cash equivalents of \$753,368 (2018: \$3,758,484).

The Directors are confident that the Group will be able to continue as a going concern and meet its current liabilities as and when they fall due.

In making this assessment, the Directors had regard to the ability of the Group to successfully raise capital, as well as the following matters should the need arise:

- Deferring or reducing the Group's exploration and evaluation expenditure, while still meeting minimum exploration commitments (incl. the Group's subsequently acquired projects in Burkina Faso three-year minimum expenditure commitments of \$1,327,544) until the Group completes a capital raising;
- Reducing the Group's tenement footprint to focus on the most prospective tenures;
- Disposal of the Group's remaining option holding in Pacton or sale of other non-core assets; and/or
- Converting the Group's 10% interest in the Plumridge joint venture to a net royalty interest.

The Directors note that subsequent to year end, as disclosed within Note 18, the Group successfully raised \$2,102,959 in equity capital through the issue of ordinary shares and options.

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

Should the Group be unable to raise further debt or capital with the initiatives detailed above then, the Group may in the future not be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being difference from those shown in the financial statements.

B. Functional and Presentation of Currency

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency and the presentation currency of the Group.

Translation of foreign operations:

As at the reporting date the assets and liabilities of foreign operations are translated into the presentation currency at the rate of exchange ruling at the reporting date and the statement of comprehensive income, statement cash flows and statement of changes in equity are translated at the weighted average exchange rates for the year. The exchange differences arising on the retranslation are recognised in other comprehensive income and accumulated balances are carried forward as a separate component of equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

C. Use of Estimates and Judgements

The preparation of financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Exploration and evaluation assets

The Group's accounting policy for exploration and evaluation expenditure is set out at Note 1(M). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the profit or loss.

Share based payments (refer Note 21)

The Group measures the cost of equity settled share based payments at fair value at the grant date using the Black-Scholes option pricing model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

Existence of significant influence

Through the shareholder agreement, Arrow Minerals Limited was guaranteed one seat on the board of Arrow (Pilbara) Pty Ltd and participated in all significant financial and operating decisions. At 30 June 2018, and to date of sale of associate, the Group therefore determined that it had significant influence over this entity, through holding 49% of the voting rights.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(ii) Commitments - Exploration

The Group has certain minimum exploration commitments to maintain its right of tenure to exploration permits. These commitments require estimates of the cost to perform exploration work required under these permits.

(iii) Benefit from carried forward tax losses

The future recoverability of the carried forward tax losses are dependent upon Group's ability to generate taxable profits in the future in the same tax jurisdiction in which the losses arise. This is also subject to determinations and assessments made by the taxation authorities. The recognition of a deferred tax asset on carried forward tax losses (in excess of taxable temporary differences) is dependent on management's assessment of these two factors. The ultimate recoupment and the benefit of these tax losses could differ materially from management's assessment.

D. Basis of Consolidation

The consolidated financial statements are those of the Group, comprising the financial statements of Arrow "the parent entity" and of all entities which the parent entity controls. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Subsidiaries are eliminated from the date on which control is established and are de-recognised from the date that control ceases.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

E. Revenue Recognition

The following specific recognition criteria must be met before revenue is recognised:

- Interest income is recognised as it accrues using the effective interest method.

F. Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

G. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

H. Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for expected credit losses. Trade receivables are due for settlement no more than 120 days from the date of recognition.

The Group applies the AASB 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the Group's past history, existing market conditions and forward-looking estimates at the end of each reporting period.

I. Investments and Other Financial Assets

The Group determines the classification of its financial instruments at initial recognition and carries its financial instruments at fair value. Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the entity commits itself to either the purchase or sale of the asset.

Fair value is the measurement basis, with the exception of loans and receivables which are measured at amortised cost using the effective rate method. Changes in fair value are taken to the profit or loss.

Fair value is determined based on current bid prices for all quoted investments. If there is not an active market for a financial asset fair value is measured using established valuation techniques.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets are impaired. In the case of equity securities, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists, the loss recognised in the profit or loss.

J. Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payment on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Changes in Ownership Interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Arrow Minerals Limited.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

K. Interest in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party. The Plumridge joint venture agreement with IGO is accounted for on this basis.

L. Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent Costs

The Group recognises in the carrying amount of an item of Property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

Depreciation

Depreciation is charged to the profit or loss on a straight-line or diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

Plant and equipment	straight-line	over 3 to 10 years
Motor vehicles	straight-line	over 4 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

De-recognition

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognised.

M. Exploration and Evaluation Expenditure

Exploration and evaluation expenditure, including the costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

1. the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
2. activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

N. Impairment of Non-financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units).

O. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

P. Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Q. Contributed Equity

Ordinary shares are classified as equity.

Plan Shares issued under the ESP are treated as equity and not separately classified in reserves.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

R. Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivable and payable are stated with the amount of GST included.

The amount of GST recoverable from the taxation authority is included as part of the receivables in the Statement of financial position. The amount of GST payable to the taxation authority is included as part of the payables in the Statement of financial position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

S. Share Based Payments

Equity-settled share-based payments, included Employee Share Plan, with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value of shares is measured by reference to the quoted market price. Fair value of options is measured by use of valuation techniques. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

T. Earnings per Share

Basic Earnings per Share – is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

Diluted Earnings per Share – adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

U. Rounding

The Company has applied the relief available to it in ASIC Legislative Instrument 2016/191 and accordingly, certain amounts included in the Directors' report and in the financial report have been rounded off to the nearest \$1 (where rounding is applicable), under the option available to the Company under ASIC Corporations.

V. New standards and Interpretations

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standard Board ("AASB") that are relevant to their operations and effective for the current reporting period. The adoption of all the new and revised Standards and Interpretations has not resulted in any material impacts on the amounts reported for the current or prior periods. The accounting policies have been consistently applied by the Group and are consistent with those applied in the previous financial year and those of the corresponding interim reporting period, except for the accounting policies described below.

AASB 9 'Financial Instruments'

AASB 9 supersedes pronouncement AASB 139 'Financial Instruments: Recognition and Measurement' and was adopted by the Group effective 1 July 2018. The standard brings together all three aspects of the accounting for financial instruments: classification and measurement, impairment; and hedge accounting.

With the exception of hedge accounting which has no application to the Group so it will apply prospectively should it enter into any such arrangements, the Group has applied AASB 9 retrospectively, with the initial application date of 1 July 2018.

At the date of initial application, the Group concluded to:

- Classify eligible equity instruments as financial assets at fair value through profit and loss; and
- Apply the simplified approach for trade receivables in the calculation of the expected credit loss (ECL) rather than the general approach.

As a result of the adoption of the above, as at the date of initial application, there is no material impact on the transactions and balances recognised in the financial statements.

The Group's accounting policy for financial instruments from 1 July 2018 are as follows:

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit and loss.

The classification of financial instruments at initial recognition depends on the financial asset's contractual cashflow characteristics and the Group's business model for managing them. Except for the Groups trade receivables that do not contain a significant financing component, the Group initially measures the financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, less transaction costs.

Trade receivables that do not contain a significant financing component are measured at the transaction price determined in accordance with the company's accounting policy for revenue recognition.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. In determining the provision required, the Group utilises its historical credit loss experience, adjusted only where appropriate for forward-looking factors specific to the debtors and economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Financial liabilities are classified, at initial recognition, as financial liabilities through fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

AASB 15 'Revenue from Contracts with Customers'

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations and it applies with limited exceptions, to all revenue arising from contracts with its customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires the Group to exercise judgement, considering all the relevant facts and circumstances when applying each step of the model to contracts with customers.

The Group adopted AASB 15 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient, however the impact on the current period is immaterial. The Group did not apply any of the other available optional practical expedients.

At the initial date of application, the effect of adopting AASB 15 did not have a material impact on the transactions and balances recognised in the financial statements.

Other amendments and interpretations apply for the first time at 1 July 2018, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. W. New Standards and Interpretations Not Yet Adopted

Pronouncement	Nature of Change	Effective Date
AASB 16 <i>Leases</i>	<p>AASB 16 requires lessees to account for all leases under a single on balance sheet model in a similar way to finance leases under AASB 117 <i>Leases</i>. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).</p> <p>Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.</p> <p>Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.</p> <p>Lessor accounting is substantially unchanged from today's accounting under AASB117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.</p>	1 January 2019
AASB 2014-10: <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> , AASB 2015-10: <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128</i> and AASB 2017-5: <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	<p>AASB 2014-10 amends AASB 10: <i>Consolidated Financial Statements</i> and AASB 128: <i>Investments in Associates and Joint Ventures</i> to clarify the accounting for the sale or contribution of assets between an investor and its associate or joint venture by requiring:</p> <p>(a) a full gain or loss to be recognised when a transaction involves a business, whether it is housed in a subsidiary or not; and</p> <p>(b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</p>	1 January 2022
AASB 2017-4: <i>Amendments to Australian Accounting</i>	AASB 2017-4 amends AASB 1: <i>First-time Adoption of Australian Accounting Standards</i> to amend the requirements applicable to	1 January 2019

Pronouncement	Nature of Change	Effective Date
<i>Standards – Uncertainty over Income Tax Treatments</i>	first-time adopters of Australian Accounting Standards as a consequence of the issuance of AASB Interpretation 23.	
AASB 2017-6: <i>Amendments to Australian Accounting Standards – Prepayment Features of Negative Compensation</i>	AASB 2017-6 amends AASB 9: <i>Financial Instruments</i> to permit an entity, subject to meeting a number of criteria, to measure at amortised cost or fair value through other comprehensive income particular financial assets that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature.	1 January 2019
AASB 2017-7: <i>Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures</i>	AASB 2017-7 amends AASB 128 to clarify that an entity is required to account for long-term interests in an associate or a joint venture, which in substance form part of the net investment in the associate or joint venture but to which the equity method is not applied, using AASB 9: <i>Financial Instruments</i> before applying the loss allocation and impairment requirements in AASB 128.	1 January 2019
AASB 2018-1: <i>Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle</i>	AASB 2018-1 amends: (a) AASB 3: <i>Business Combinations</i> to clarify that an entity remeasures its previously held interest in a joint operation when it obtains control of the business; (b) AASB 11: <i>Joint Arrangements</i> to clarify that an entity does not remeasure its previously held interest in a joint operation when it obtains joint control of the business; (c) AASB 112: <i>Income Taxes</i> to clarify that an entity accounts for all income tax consequences of dividend payments according to where the entity originally recognised the past transactions or events that generated the distributable profits; and (d) AASB 123: <i>Borrowing Costs</i> to clarify that an entity treats any borrowing originally made to develop a qualifying asset as part of general borrowings when the asset is ready for its intended use or sale.	1 January 2019
AASB 2018-6: <i>Amendments to Australian Accounting Standards – Definition of a Business</i>	AASB 2018-6 amends AASB 3: <i>Business Combinations</i> to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments: (a) clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; (b) remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; (c) add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;	1 January 2020

Pronouncement	Nature of Change	Effective Date
	<p>(d) narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; and</p> <p>(e) add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.</p>	
AASB 2018-7: <i>Amendments to Australian Accounting Standards – Definition of Material</i>	AASB 2018-7 principally amends AASB 101: <i>Presentation of Financial Statements</i> and AASB 108: <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.	1 January 2020
AASB Interpretation 23: <i>Uncertainty over Income Tax Treatments</i>	<p>Interpretation 23 clarifies how an entity should apply the recognition and measurement requirements in AASB 112: <i>Income Taxes</i> when there is uncertainty over income tax treatments. To this end, Interpretation 23 requires:</p> <p>(a) an entity to consider whether each uncertain tax treatment should be considered separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty;</p> <p>(b) in assessing whether and how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, assume that the taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations;</p> <p>(c) if the entity concludes that it is probable that the taxation authority will accept the uncertain tax treatment, the entity will determine current tax and deferred tax consistently with the treatment used or planned to be used in its income tax filings;</p> <p>(d) if the entity concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the entity reflects the effect of uncertainty in the determination of current tax and deferred tax, based on either the 'most likely' amount or the 'probability-weighted' amount of tax (depending on which method the entity expects to better predict the resolution of the uncertainty); and</p> <p>(e) an entity to reassess a judgement or estimate required under Interpretation 23 if the facts and circumstances on which the judgement or estimate was based change or as a result of new information that affects the judgement or estimate.</p>	1 January 2019

When AASB 16 is applied by the Group at 1 July 2019, the present value the Group's operating lease commitment (adjusted for the impact, if any, of the revised definitions of 'lease term' and 'lease payments'), for all leases with a term of more than 12 months, but excluding leases of low value assets, will be recognised as a lease liability, using an appropriate discount rate as prescribed by the accounting standard. The Group will also recognise a corresponding

right-of-use asset, which the Group can choose to initially measure at either its carrying amount as if the accounting standard had applied from the commencement date of the lease or at an amount equal to the initial lease liability. The preliminary assessment of the Group is that it will most likely elect to initially measure the right-of-use asset at an amount equal to the initial lease liability. As such the Group anticipates that the initial application of AASB 16 will not impact the net assets of the Group.

As disclosed in note 19 to the financial statements, the Group's aggregate operating lease expenditure commitment at 30 June 2019 (measured on an undiscounted basis) is \$140,642.

Based on the Group's preliminary assessment, which includes the likely election to initially measure the right-of-use asset at an amount equal to the initial lease liability, and using a provisionally determined discount rate, it is anticipated that:

- the application of AASB 16 will result in the recognition of a lease liability and a corresponding right-of-use asset of approximately \$134,894 relating to the leasing commitments disclosed in note 19; and
- the application of AASB 16 will not result in a material impact on the profit or loss of the Group, as the aggregate of the estimated interest expense on the lease liability and the estimated depreciation expense of the right-of-use asset in the first year of application is not expected to differ materially from the aggregate operating lease expense recognised by the Group for the financial year ended 30 June 2019 under the predecessor accounting standard.

The likely impact of all other new standards and interpretations on the financial statements of the Group has not been determined.

2. RESTATEMENT OF PRIOR PERIOD BALANCES

While preparing the financial statements of the Group for the half-year ended 31 December 2018, Arrow identified that no value had been attributed to the warrants held in Pacton Gold Inc., arising from the sale of Arrow (Pilbara) Pty Ltd, in the year ended 30 June 2018. This resulted in restatement of the following line items for the year ended 30 June 2018:

- Investment in associate was increased by \$193,917;
- Loss was reduced by \$798,416; and
- Other financial assets were increased by \$604,499.

As the warrants were obtained as part of the Group's sale of 51% of its interest in Arrow (Pilbara) Pty Ltd on 11 May 2018 there is no impact on the opening balance at 1 July 2017.

Arrow also identified an issue relating to the timing of share based payment expenses being recognised across reporting periods. This resulted in the restatement of the following line items for the year ended 30 June 2018:

30 June 2018:

- Loss before tax from continuing operations increased by \$170,788; and
- Reserves increased by \$251,025.

Opening accumulated losses and opening share based payment reserve at 1 July 2017 were restated by \$80,237 as a result of the adjustment to share based payment expenses.

This resulted in the restatement of increasing Key Management Personnel equity settled share based payment remuneration for the year ended 30 June 2018 by \$154,574 (Mr Michael: \$57,468, Dr Tabcart: \$15,533, Mr Ong: \$21,588, Mr Foy: \$19,612 and Mr Tuck: \$40,373).

In addition, an inconsistency was identified within the consolidation process relating to the classification of a payables account at 30 June 2018. This resulted in a restatement of the following line items for the year ended 30 June 2018:

- Loss before tax from continuing operations increased by \$6,669; and
- Trade and other payables were increased by \$6,669.

Together, the above adjustments had the following impact on the 30 June 2018 financial statements:

FINANCIAL REPORT LINE ITEM / BALANCE AFFECTED	Reported 30 Jun 2018	Adjustment	Restated 30 Jun 2018
	\$	\$	\$
<u>Consolidated Statement of Comprehensive Income extract</u>			
Gain on disposal of controlling interest	887,313	397,658	1,284,971
Fair value movement on financial assets	443,832	400,758	844,590
Employee benefits expenses	(545,223)	(6,669)	(551,892)
Share based payment expenses	(229,498)	(170,788)	(400,286)
Loss before tax from continuing operations	(1,306,491)	620,959	(685,532)
Basic and diluted loss per share	(0.574)	0.304	(0.270)
<u>Consolidated Statement of Financial Position extract</u>			
Current assets			
Investment in associates	544,284	193,917	738,201
Other financial assets	720,701	604,499	1,325,200
Total current assets	5,228,646	798,416	6,027,062
Current liabilities			
Trade and other payables	335,437	6,669	342,106
Total current liabilities	437,435	6,669	444,104
Total liabilities	594,109	6,669	600,778
Net assets	12,977,261	791,747	13,769,008
Equity			
Reserves	1,614,933	251,025	1,865,958
Accumulated losses	(23,773,852)	540,722	(23,233,130)
Total equity	12,977,261	791,747	13,769,008

3. REVENUE AND EXPENSES

	2019	Restated 2018[^]
	\$	\$

Loss from continuing operations includes:

Depreciation expense	92,812	37,826
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Employee benefits expense includes:

Employee benefits, including directors' fees	584,355	464,618
Superannuation expenses	105,896	87,274
	690,251	551,892

Auditors' remuneration - for audit or review of financial report

Pitcher Partners BA&A Pty Ltd	29,000	28,000
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	29,000	28,000
<i>Auditors' remuneration - for other services</i>		
Pitcher Partners BA&A Pty Ltd – Other Assurance Services	5,000	2,000
Pitcher Partners (WA) Pty Ltd - Taxation	13,335	8,750
	18,335	10,750

^Certain amounts shown here do not correspond to the 30 June 2018 financial statements and reflect adjustments disclosed in Note 2.

4. INCOME TAX

	2019 \$	Restated 2018^ \$
(a) The major components of income tax expense / (benefit) comprise of:		
Current tax benefit	-	-
Deferred tax benefit	-	-
Under / (over) provision in prior years	-	(134,904)
	-	(134,904)
(b) Reconciliation of prima facie tax on continuing operations to income tax benefit:		
Profit / (loss) before tax for the year	(3,909,752)	(685,532)
Tax benefit @ 27.5% tax rate (Australia) (2018: 27.5%)	(1,075,182)	(188,521)
<i>Adjustments for:</i>		
Entertainment	1,220	610
Consolidation exit adjustment	-	98,904
Share based payments	37,787	110,079
Under / (over) provision in prior years	-	(134,904)
Unrecognised DTA on tax losses	1,036,175	21,072
Income tax expense / (benefit) attributable to profit	-	(134,904)
(c) Components of deferred taxes		
<i>Deferred tax asset:</i>		
Tax losses	9,092,465	8,381,249
Provisions & accruals	35,326	35,336
Capital & borrowing costs	83,059	100,181
Investments	276,984	-
Offset against deferred tax liability / not recognised	(9,487,834)	(8,516,766)
<i>Deferred tax liability:</i>		
Prepayments	-	(585)
Investments	-	(271,869)
Exploration expenditure	(2,351,479)	(2,098,221)
Foreign exchange – unrealised	(6,034)	-
Offset against deferred tax assets / not recognised	2,357,513	2,370,675
Net deferred tax asset / (liability)	-	-
(d) Deferred tax assets / liabilities not brought to account		
Temporary differences	(1,962,144)	(2,235,155)
Operating tax losses	9,092,465	8,381,246
	7,130,321	6,146,523

4. INCOME TAX (continued)

The tax benefits of the above deferred tax assets will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Group in utilising the benefits.

The Group has gross tax losses as at 30 June 2019 of \$33,063,508 (2018: \$30,477,269).

^Certain amounts shown here do not correspond to the 30 June 2018 financial statements and reflect adjustments disclosed in Note 2.

(e) Tax consolidation

For the purposes of income tax legislation, the Company and its 100% controlled Australian entities have elected to form a tax consolidated group.

5. CASH AND CASH EQUIVALENTS

	2019 \$	2018 \$
Cash at bank and on hand	753,368	1,758,484
Deposits at call	-	2,000,000
	753,368	3,758,484

(a) Reconciliation of loss for the year to operating cash flows

Loss for the year	(3,909,752)	(550,628)
<i>Cashflows excluded from profit attributable to operating activities</i>		
Finance costs on interest bearing liabilities	10,585	9,297
<i>Adjustments for non-cash items:</i>		
Write off of exploration & evaluation Assets	2,625,876	1,767,288
Share based payment expense	137,406	400,286
Depreciation expense	92,812	37,826
Gain on disposal of associate/controlling interest	(1,284,068)	(1,284,971)
Gain on disposal of tenements	(233,956)	(387,300)
Loss on sale of financial assets	535,798	-
Revaluation of financial assets	1,035,736	(844,590)
<i>Movement in working capital items:</i>		
(Increase) / decrease in trade and other receivables	124,652	(140,660)
(Increase) / decrease in prepayments	(176,194)	(3,998)
Increase / (decrease) in trade and other payables	(166,538)	106,527
Net cash used in operating activities	(1,207,643)	(890,923)

6. INVESTMENT IN ASSOCIATE

6(a) Associates

Set out below are the material associates of the Group. The entity listed below have share capital consisting solely of ordinary share. The proportion of ordinary shares held by the Group equals the voting rights held by the Group.

Name	Classification	Place of Business/ Incorporation	Proportion of Ordinary Share Interest		Measurement Method	Carrying Amount	
			2019	2018		2019	2018 [^]
Arrow (Pilbara) Pty Ltd	Associate	Perth, Australia	0%	49%	Equity Method	-	\$738,201

Arrow (Pilbara) Pty Ltd is a private entity undertaking exploration activities in the Pilbara region of Western Australia.

6(b) Disposal of Associate

During the year, the Group disposed of its remaining 49% interest to the major shareholder Pacton Gold Inc., a Canadian listed company, for consideration of C\$1,000,000 (A\$1,060,106) in cash and 2,000,000 Pacton shares. For the period until date of sale, the interest in associate did not make a contribution to the Group profit or loss (2018: nil).

Aggregated details of this transaction are as follows:

	2019 \$
Cash consideration	1,060,106
Non-cash consideration	975,298
Costs associated with the sale	(13,135)
Total proceeds	2,022,269
Cost of asset held at disposal date	(738,201)
Equity accounted profit/(loss) to date of sale	-
Net gain on disposal of Associate	<u>1,284,068</u>

6(c) Disposal of Controlling Interest

During the year ended 30 June 2018, the Group disposed of a 51% controlling interest in Arrow (Pilbara) Pty Ltd to Pacton Gold Inc. for consideration of C\$300,000 (A\$309,000) in cash, 2,000,000 Pacton shares and 1,086,957 Pacton warrants.

As part of the agreement, the following contingent assets (note 17) arose:

- Pacton will pay Arrow C\$200,000 upon granting of the exploration licence applications, with C\$100,000 paid on the grant of each application; and
- Arrow will receive a Discovery Bonus of C\$500,000 in cash upon Pacton publishing a gold resource at the Project of over 100,000oz in accordance with National Instrument 43-101 (TSXV equivalent of the JORC Code).

At the date Arrow (Pilbara) Pty Ltd became an associate, and at 30 June 2018, the \$223,471 net assets of the entity related only to exploration and evaluation assets.

Aggregate details of this transaction are:

	Restated 2018 [^] \$
Cash consideration	309,000
Non-cash consideration	461,241
Total consideration	770,241
Cost of assets and liabilities held at disposal date	(223,471)
Non-controlling equity interests	738,201
Net gain on disposal of controlling interest	<u>1,284,971</u>

[^]Certain amounts shown here do not correspond to the 30 June 2018 financial statements and reflect adjustments disclosed in Note 2.

7. OTHER FINANCIAL ASSETS

	2019	Restated
	\$	2018[^]
		\$
Shares in Caeneus Minerals Limited	-	19,369
Ordinary Shares in Pacton Gold Inc.	380,520	701,332
Warrants in Pacton Gold Inc.	131,263	604,499
Contingent receivable – Pacton Gold Inc.	54,500	-
Financial assets at fair value through profit or loss	566,283	1,325,200

[^] Certain amounts shown here do not correspond to the 30 June 2018 financial statements and reflect adjustments disclosed in Note 2.

8. TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
Bond	26,006	2,825
GST receivable	44,608	92,441
Other debtors	-	100,000
	70,614	195,266

9. PREPAYMENTS

	2019	2018
	\$	\$
Prepaid insurance	13,916	9,911
Prepaid rent	8,386	-
Acquisition costs for Boromo Gold Limited	164,103	-
	186,405	9,911

10. EXPLORATION AND EVALUATION ASSETS

	2019	2018
	\$	\$
Balance at the beginning of the year	8,041,647	8,283,225
Expenditure incurred during the year	3,135,060	3,266,235
Fair value of tenements on disposal	-	(1,840,525)
Write offs recognised during the year	(2,625,876)	(1,767,288)
Balance at the end of the year	8,550,831	8,041,647

The asset balance comprises of the following areas of interest:

Strickland Gold Project	6,112,043	3,323,978
Malinda Lithium Project	1,488,598	1,160,057
Plumridge Nickel and Gold Projects	950,190	3,557,612
	8,550,831	8,041,647

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation of each area of interest.

11. PROPERTY, PLANT AND EQUIPMENT

	2019 \$	2018 \$
Motor vehicle		
- At cost	208,768	205,858
- Accumulated depreciation	(84,352)	(36,615)
Total motor vehicle	124,416	169,243
Caravan		
- At cost	45,764	45,764
- Accumulated depreciation	(18,188)	(2,933)
Total office equipment	27,576	42,831
Office Improvements		
- At cost	92,191	92,191
- Accumulated depreciation	(33,009)	(3,188)
Total office improvements	59,182	89,003
Total property, plant and equipment	211,174	301,077

Movements in carrying amounts:

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Motor Vehicle \$	Caravan \$	Office Equipment \$	Office Improvements \$	Total \$
Balance at 1 July 2017	121,599	-	430	-	122,029
Additions	78,919	45,764	-	92,191	216,874
Depreciation Expense	(31,275)	(2,933)	(430)	(3,188)	(37,826)
Balance at 30 June 2018	169,243	42,831	-	89,003	301,077
Additions	2,909	-	-	-	2,909
Depreciation Expense	(47,736)	(15,255)	-	(29,821)	(92,812)
Balance at 30 June 2019	124,416	27,576	-	59,182	211,174

Chattel mortgages:

The carrying value of plant and machinery held under chattel mortgages at 30 June 2019 was \$112,958 (2018: \$169,243).

12. TRADE AND OTHER PAYABLES

	2019 \$	2018 \$
Trade creditors and other payables	96,228	322,106
Accruals	23,000	20,000
	119,228	342,106

Trade creditors are generally settled on 30 to 90 day terms.

13. INTEREST BEARING LIABILITIES

			2019	2018
			\$	\$
	Interest rate	Maturity		
Current				
Obligations under chattel mortgage (Note 19)	8%	2021	30,705	28,423
			30,705	28,423
Non-Current				
Obligations under chattel mortgage (Note 19)	8%	2021	91,050	121,754
			91,050	121,754

14. ISSUED CAPITAL

	2019	2018
	No.	No.
Ordinary shares full paid	314,540,609	306,976,322

(a) Movement in ordinary share capital

	No.	\$
Balance at 1 July 2017	133,464,700	30,404,876
31 July 2017 – Placement	4,616,696	138,451
8 September 2017 – Placement	34,510,552	1,035,317
14 November 2017 – Option exercise at \$0.07 per share	2,666,667	186,667
1 December 2017 – ESP Issue	5,600,000	-
13 February 2019 – Placement	44,549,653	1,291,940
22 March 2018 – Land access payment	592,768	20,000
16 April 2018 – Placement	81,312,429	2,358,060
27 April 2018 – ESP Issue	750,000	-
27 April 2018 – Share Buy back (cancellation of ESP shares)	(1,087,143)	-
Costs of issue		(299,131)
Balance at 30 June 2018	306,976,322	35,136,180
17 September 2018 – cancellation of ESP shares	(1,435,713)	-
22 November 2018 – ESP Issue	9,000,000	-
Balance at 30 June 2019	314,540,609	35,136,180

Terms and conditions of ordinary shares

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(b) Unexpired share options

The following options over ordinary shares of the Company existed at reporting date:

Expiry date	Nos.	Exercise Price (\$)
31/12/2019	13,146,469	0.070 ¹
31/12/2019	120,872,133	0.100 ²
	134,018,602	

1. These options are unlisted.

2. These options are listed.

Movements	<u>No.</u>
Options outstanding at 30 June 2017	16,516,132
Granted	136,685,269
Exercised	(2,666,667)
Expired	(7,230,439)
Options outstanding at 30 June 2018	<u>143,304,295</u>
Expired	(9,285,693)
Options outstanding at 30 June 2019	<u>134,018,602</u>

15. RESERVES

	2019 \$	Restated 2018[^] \$
Option/share based payment reserve (i)	2,479,795	2,342,389
Foreign currency reserve (ii)	(476,281)	(476,281)
Available for sale reserve (iii)	-	(150)
	<u>2,003,514</u>	<u>1,865,958</u>

- (i) The option/share based payment reserve relates to shares & options granted by the Company to its employees and suppliers. The 2019 movement relates to the ESP share based payments expensed during the year.
- (ii) Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.
- (iii) The available for sale reserve represents fair value gains / (losses) on available for sale investments recognised in equity. Immaterial balance transferred to accumulated losses during the year.

[^]Certain amounts shown here do not correspond to the 30 June 2018 financial statements and reflect adjustments disclosed in Note 2.

16. LOSS PER SHARE

The following data reflect the income and share numbers used in calculation of the basic and diluted loss per share:

	Unit	2019	Restated 2018[^]
Weighted average number of shares (post 1 for 35 consolidation)	Nos.	311,276,010	204,139,144
Loss used in calculation of basic and diluted loss per share	\$	(3,909,752)	(550,628)
Basic and diluted loss per share:	cents	(1.256)	(0.270)

[^]Certain amounts shown here do not correspond to the 30 June 2018 financial statements and reflect adjustments disclosed in Note 2.

17. CONTINGENT ASSETS AND LIABILITIES

As part of the sale of Arrow (Pilbara) Pty Ltd, the following contingent assets arose:

- Pacton will pay Arrow C\$200,000 upon granting of the exploration licence applications, with C\$100,000 paid on the grant of each application; and
- Arrow will receive a Discovery Bonus of C\$500,000 in cash upon Pacton publishing a gold resource at the Project of over 100,000oz in accordance with National Instrument 43-101 (TSXV equivalent of the JORC Code).

During the year, C\$100,000 (A\$108,849) was received upon the granting of an exploration licence, the Group recognised \$54,500 deferred contingent consideration on the sale of a disposed of 51% of Arrow (Pilbara) Pty Ltd to Pacton Gold (Inc) in the previous year ended 30 June 2018, see note 6. At 30 June 2018, the likelihood of receiving the consideration was assessed as close to nil, and as such, no financial asset was recognised as a receivable at 30 June 2018, instead the total amount of C\$200,000 was disclosed as a contingent asset.

With respect to the C\$500,000 Discovery Bonus, the likelihood of receiving the consideration is assessed as close to nil (2018: nil), and as such, no financial asset was recognised as a receivable at 30 June 2019 (30 June 2018: nil), instead the total amount of C\$500,000 is disclosed as a contingent asset (2018: C\$500,000).

The Group had no other contingent assets or liabilities at reporting date or in subsequent periods.

18. SUBSEQUENT EVENTS

On 15 August 2019, Arrow advised that its shareholders had approved the acquisition of Boromo through an all-scrip transaction. On 26 August, Arrow acquired 100% of the issued capital of Boromo through the issue 289,297,910 ordinary shares and 209,046,880 Performance Rights to Boromo shareholders and Performance Rights holders.

As a result of the acquisition of Boromo, the role of Managing Director was made redundant. Mr Steven Michael's employment as Managing Director was terminated. Mr Michael will continue as an Executive Director. Mr Matthew Foy is also being made redundant as Company Secretary. Messrs Michael and Foy both qualified for genuine redundancy under TR 2009/2 and received a statutory redundancy payment and a termination payment as stipulated within their respective service agreements disclosed within the Remuneration Report.

On 5 July 2019 and 22 August 2019, Arrow completed a two-tranche placement to raise a total of \$2.1 million through the issue of 220,300,000 ordinary shares and 120,150,000 options exercisable at 2¢ on or before 22 August 2022.

On 1 July 2019, Arrow advised that 8,571,408 options exercisable at \$0.175 on or before 30 June 2019 had expired unexercised.

Other than the above, there have been no events subsequent to balance date of a nature that would require disclosure.

19. COMMITMENTS

Exploration & evaluation commitments

The Group has certain minimum obligations in pursuance of the terms and conditions of tenement licences in the forthcoming year. Whilst these obligations are capable of being varied from time to time, in order to maintain current rights of tenure to mining tenements, the Group will be required to outlay \$549,605 in 2019/20 (\$593,000 in 2018/19). Exploration commitments include requirements under joint ventures for tenements held by other entities.

Leasing commitments

On 31 May 2018, the Company entered into a 3 year lease for office accommodation at an annual cost of \$51,200, increasing by 3% per annum over the term of the lease.

On 1 April 2019, the Company entered into a 2 year lease for warehousing at an annual cost of \$18,795 including outgoings, increasing by 3% per annum over the term of the lease. The expenditure commitment for the Group for later than 2 years but not later than 5 years is uncertain as the tenements require re-application prior to this date of which the outcome is not certain.

	2019 \$	2018 \$
Up to 1 year	625,936	644,200
Between 1 and 5 years	64,311	98,133
Later than 5 years	-	-
	690,247	742,333

Chattel Mortgages

The Group has finance leases and hire purchase contracts for various items of plant and machinery. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases and hire purchase contracts, together with the present value of the net minimum lease payments are, as follows:

	2019		2018	
	Minimum payments \$	Present value of payments \$	Minimum payments \$	Present value of payments \$
Up to 1 year	39,007	30,704	39,007	28,243
Between 1 and 5 years	96,312	91,050	135,320	121,754
Total minimum lease payments	135,319	121,754	174,327	150,177
Less amounts representing finance charges	(13,565)	-	(24,150)	-
Present value of minimum lease payments	121,754	121,754	150,177	150,177

20. RELATED PARTY & KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Parent and subsidiaries

The parent entity and the ultimate parent entity of the Group is Arrow, a company listed on the Australian Securities Exchange.

The components of the Group are:

	Incorporated	Ownership Percentage	
		2019	2018
Parent			
Arrow Minerals Limited	Australia	-	-
Controlled entities			
Arrow (Pardoo) Limited	Australia	100%	100%
Edurus Resources SA	South Africa	100%	100%
Arrow (Strickland) Pty Ltd	Australia	100%	100%
Arrow (Malinda) Pty Ltd	Australia	100%	100%
Arrow (Deralinya) Pty Ltd	Australia	100%	100%
Arrow (Plumridge) Pty Ltd	Australia	100%	100%
Arrow (Pilbara) Pty Ltd	Australia	0%	49%

(b) Key management personnel disclosures

The key management personnel compensation included employee benefit and director compensation expenses are as follows:

	2019 \$	Restated 2018^ \$
Short-term employee benefits	691,344	590,270
Post-employment benefits	51,801	85,137
Long service leave	14,297	7,484
Equity compensation benefits	113,233	375,882
	870,675	1,058,773

Further information regarding key management personnel has been provided in the Remuneration Report.

^Certain amounts shown here do not correspond to the 30 June 2018 financial statements and reflect adjustments disclosed in Note 2. Key Management Personnel equity compensation benefits for the year ended 30 June 2018 increased by \$154,574 (Mr Michael: \$57,468, Dr Tabear: \$15,533, Mr Ong: \$21,588, Mr Foy: \$19,612 and Mr Tuck: \$40,373).

(c) Transactions with key management personnel

The Company entered into a service agreement with Minerva Corporate Pty Ltd, effective 2 April 2014, for the provision of Directorial and Company Secretarial services. Messrs Ong & Foy are related parties of Minerva Corporate Pty Ltd and Arrow.

This service agreement was amended in August 2014 to exclude Company Secretarial services.

During the year an amount of \$43,722 (2018: \$33,387) inclusive of GST was paid or payable in relation to these services. There is an amount of \$3,300 included in trade creditors on account of these services (2018: \$3,300).

All of the Director fees for Mr Ong were remitted to Minerva Corporate Pty Ltd during the current and prior year.

Mr Foy continues to provide Company Secretarial services as an employee of Arrow.

Dr Tabear's remuneration for the year was paid directly to his related party, Geogen Consulting Pty Ltd. During the year, an additional \$10,120 (inc GST) was paid to Geogen Consulting Pty Ltd for consulting services.

The Company entered into a service agreement with Mitchell River Group Pty Ltd, effective 6 July 2016, for the provision of exploration database management services. Dr Tabear is a related party of Mitchell River Group Pty Ltd and Arrow.

During the year, an amount of \$44,649 (2018: \$25,990) inclusive of GST was paid or payable in relation to these services. There is an amount of \$nil included in trade creditors on account of these services (2018: \$2,645)

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

21. SHARE BASED PAYMENTS

Share based payments are provided to directors, consultants and other advisors.

The issue to each individual director, consultant or advisor is controlled by the Board and the ASX Listing Rules. Terms and conditions of the payments, including the grant date, vesting date, exercise price and expiry date are determined by the Board, subject to shareholder approval where required.

Valuation

Shareholder approval was received on 22 November 2018 for the issue of 9,000,000 shares to directors. The shares were issued on 22 November 2018.

Shareholder approval was received on 22 November 2017 for the issue of 5,600,000 shares to directors. The shares were issued on 1 December 2017

The issue of Shares pursuant to the Plan may be undertaken by way of provision of a limited-recourse, interest free loan to be used for the purposes of subscribing for the Shares.

The Shares issued to the Eligible Participants will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares, other than being subject to a holding lock until such time as the respective restriction conditions have been satisfied, including the completion of any restriction period, and any Loan has been extinguished or repaid under the terms of the Plan.

Although these are shares for legal and taxation purposes, Accounting Standards require they be treated as options for accounting purposes.

The shares have been valued applying a Black-Scholes option pricing model, with the following inputs for the relevant milestones.

	November 2018		November 2017	
Number of Plan Shares	6,750,000	2,250,000	4,200,000	1,400,000
Grant date	22 Nov 2018	22 Nov 2018	22 Nov 2017	22 Nov 2017
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%
Expected volatility (%)	86%	86%	315%	315%
Risk-free interest rate (%)	2.12%	2.12%	1.92%	1.69%
Vesting date	Various	1 Year	Various	1 Year
Expected life (years)	3 Years	1 Year	2.25	1 Year
Share price (\$)	0.015	0.015	0.052	0.052
Share price at grant date (\$)	0.015	0.015	0.052	0.052
Valuation of shares	0.0083	0.0053	0.0517	0.0470

The milestones attaching to the Employee Share Loan Plan are as follows:

November 2018 Milestones

1. Discovery of a mineralised prospect with multiple drill intersections of at least 15 gram metres gold (e.g. two separate drill intersections of 5 metres @ 3g/t Au), or gold equivalent.
2. Discovery of multiple mineralised prospects as defined in Milestone 1.
3. Announce a JORC-compliant resource of 100,000oz of gold at a minimum grade of 1.0g/t Au (or equivalent for other metals).
4. Combined capital raising of \$2 million through a combination of either equity issues at an average issue price at least 75% of the 15-day VWAP prior to each issue and/or proceeds from asset sales (or farm-out joint ventures).
5. Total shareholder return over any 12-month period exceeding +25%.
6. Continue to be an employee or Director of AMD until 31 December 2019.

Of the above 6 milestones, the achievement of 4 will vest 100% of the shares, with 25% of the shares vesting on the achievement of each milestone.

November 2017 Milestones

1. Discover a mineralised prospect of at least 10 gram-metres gold, or 10% metres lithium or 10% metres nickel.
2. Announce a JORC-compliance resource of:
 - 100,000oz of gold at a minimum grade of 1.0g/t Au (or equivalent for other metals); or
 - 10,000 tonnes of lithium at a minimum grade of 1.0% Li₂O; or
 - 20,000 tonnes of nickel at a minimum grade of 2.0% Ni (+Cu, PGE).
3. Complete a pre-feasibility study on a resource estimate as defined in Milestone 2.
4. Combined capital raising of \$3 million at an average issue price at least 75% of the 15-day VWAP prior to each issue.
5. Total shareholder return exceeding +25% over a 12 month period.
6. Continue to be an employee or Director of Arrow until 31 December 2018.

Of the above 6 milestones, the achievement of 4 will vest 100% of the shares, with 25% of the shares vesting on the achievement of each milestone.

Refer to the Remuneration Report for full details of vesting periods and restrictive conditions to be achieved.

Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility.

22. OPERATING SEGMENTS

The Company operates in one operating and geographic segment being mineral exploration, and evaluation in Western Australia for the year ended 30 June 2019.

23. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk

- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from receivables from customers and cash and cash equivalents.

All cash balances are held with recognised institutions limiting the exposure to credit risk. There are no formal credit approval processes in place.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2019 \$	2018 \$
Cash and cash equivalents	753,368	3,758,484
Trade and other receivables – rental bond	70,614	195,266
	823,982	3,953,750

Financial assets are neither past due nor impaired. **Exposure to interest rate risk**

The Group's maximum exposure to interest rates at the reporting date was:

	Range of effective interest rate %	Carrying amount \$	Fixed interest rate \$	Total \$
2019				
Financial Assets – Current				
Cash and cash equivalents	0 - 2.2	753,368	753,368	753,368
Financial Liabilities – Current				
Interest bearing liabilities	7.95	30,705	30,705	30,705
Financial Liabilities – Non-Current				
Interest bearing liabilities	7.95	91,050	91,050	91,050
2018				
Financial Assets – Current				
Cash and cash equivalents	0 - 2.2	3,758,484	3,758,484	3,758,484
Financial Liabilities – Current				
Interest bearing liabilities	7.95	28,423	28,423	28,423
Financial Liabilities – Non-Current				
Interest bearing liabilities	7.95	121,754	121,754	121,754

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The maturity profile of Group's financial assets and liabilities are:

	Carrying amount \$	Up to 6 months \$
2019		
Cash and cash equivalents	753,368	753,368
Trade and other receivables	70,614	70,614
Other financial assets	566,283	435,020
Trade and other payables	(96,228)	(96,228)
	1,294,037	1,162,774
2018		
Cash and cash equivalents	3,758,484	3,758,484
Trade and other receivables	195,266	195,266
Other financial assets	1,325,200	720,701
Trade and other payables	(331,038)	(331,038)
	4,947,912	4,343,413

The maturity profile disclosed are the contractual undiscounted cash flows.

(c) Market risk

Market risk is the risk that changes in market prices will affect the Group's income or the value of its holdings of financial instruments.

Foreign currency risk:

The Group is exposed to foreign exchange risk through its Canadian Dollar denominated investment as a result of its holding in Pacton Gold Inc. The exposure of this investment is demonstrated within the following table showing the impact of reasonably possible changes in foreign exchange rates, with all other variables constant, on the Group's consolidated statement of profit or loss and other comprehensive income.

Judgements of reasonably possible movements between the Canadian dollar and Australian dollar	Effect on Post Tax Loss (\$) Increase/(decrease)		Effect on Equity (\$) Increase/(decrease)	
	2019	2018	2019	2018
Increase 10%	46,526	118,712	(46,526)	(118,712)
Decrease 10%	(56,865)	(145,092)	56,865	145,092

A sensitivity of 10% movement has been used as this is considered reasonable and is derived from a review of historical movements and management's judgement of future trends.

Interest rate risk:

The Group holds the majority of its cash and cash equivalents within a current account attracting a weighted interest rate of 0.2% pa (2018: 1.72% pa).

The Group's sensitivity to movement in interest rates is shown in the summarised sensitivity analysis table below.

	Carrying amount \$	Interest rate risk			
		+ 100 bps		- 100 bps	
		Profit \$	Equity \$	Profit \$	Equity \$
2019					
Cash and cash equivalents	753,368	7,534	(7,534)	(7,534)	7,534
2018					
Cash and cash equivalents	3,758,484	37,585	(37,585)	(37,585)	37,585

(d) Fair value of financial instruments

The fair value of Group's financial instruments at reporting date are:

	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Cash and cash equivalents	753,368	753,368	3,758,484	3,758,484
Trade and other receivables	70,614	70,614	195,266	195,266
Other financial assets	566,283	566,283	1,325,200	1,325,200
Trade and other payables	(96,228)	(96,228)	(331,038)	(331,038)
	1,294,037	1,294,037	4,947,912	4,947,912

The directors consider the carrying amount of the financial instruments to be a reasonable approximation of their fair value on account of the short maturity cycle.

The fair value of the Group's financial assets in quoted equity shares held traded on an active market is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of the Group's financial investments in unquoted equity warrants are not traded on an active market and are based on significant observable inputs (level 2) at the end of the reporting period. These instruments are included in level 2.

The fair value of the Group's contingent receivable is measured using management's weighted probability of each scenario. These instruments are included in level 3.

2019			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:	Date of valuation	Total \$	\$	\$	\$
Shares in Listed Companies	30 June 2019	380,520	380,520	-	-
Unquoted Warrants in Listed Companies	30 June 2019	131,263	-	131,263	-
Contingent receivable	30 June 2019	54,500	-	-	54,500

2018			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:	Date of valuation	Total \$	\$	\$	\$
Shares in Listed Companies	30 June 2018	720,701	720,701	-	-
Unquoted Warrants in Listed Companies	30 June 2018	604,499	-	604,499	-

(e) Capital management policy

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Group defines capital as cash and cash equivalents plus equity. The Board of Directors monitors capital on an ad-hoc basis. No formal targets are in place for return on capital or gearing ratios as the Group has not derived any income from their mineral exploration.

24. PARENT ENTITY INFORMATION

(a) Financial position

	2019 \$	Restated 2018 [^] \$
ASSETS		
Current assets	1,576,670	6,026,998
Non-current assets	8,762,006	8,540,680
TOTAL ASSETS	10,338,676	14,567,678
LIABILITIES		
Current liabilities	342,014	600,714
TOTAL LIABILITIES	342,014	600,714
NET ASSETS	9,996,662	13,966,964
EQUITY		
Issued capital	35,136,180	35,136,180
Reserves	2,479,794	2,342,238
Accumulated losses	(27,619,312)	(23,511,454)
TOTAL EQUITY	9,996,662	13,966,964

(b) Financial performance

	2019 \$	2018 \$
Loss for the year	4,107,709	550,627
	4,107,709	550,627

(c) Commitments

Parent entity commitments are as disclosed within Note 19.

(d) Contingent assets and liabilities

Parent entity contingent assets and liabilities are as disclosed in note 17.

[^]Certain amounts shown here do not correspond to the 30 June 2018 financial statements and reflect adjustments disclosed in Note 2.

Directors' Declaration

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

1. The consolidated financial statements and accompanying notes set out on pages 29 to 60 are in accordance with the *Corporations Act 2001*, including:
 - a. giving a true and fair view of the Group's financial position at 30 June 2019 and of its performance for the year ended on that date: and
 - b. complying with Accounting Standards and *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
3. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2019.
4. The consolidated financial statements and notes are also in compliance with International Financial Reporting Standards as disclosed in Note 1(a).

On behalf of the Board



Steven Michael
Executive Director

Perth, 24 September 2019

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ARROW MINERALS LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Arrow Minerals Limited "the Company" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) to the financial report which indicates that the Group reported net cash used in operating activities of \$1,207,643 (2018: \$890,923), net cash used in investing activities of \$1,758,466 (2018: \$1,188,268) and had cash and cash equivalents of \$753,368 (2018: \$3,758,484). These conditions, along with other matters as set forth in Note 1(a), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARROW MINERALS LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying value of exploration and evaluation assets</p> <p><i>Refer to Note 1(c), (m), (n) & 10</i></p> <p>As disclosed in Note 10 of the financial report, as at 30 June 2019, the Group held capitalised exploration and evaluation assets of \$8,550,831.</p> <p>The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure may exceed its recoverable amount.</p> <p>The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of management judgments including but not limited to:</p> <ul style="list-style-type: none"> • whether the Group has tenure of the tenement; • whether the Group has sufficient funds to meet the tenement minimum expenditure requirements; and • whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. 	<p>Our procedures included, amongst others:</p> <p>Obtaining an understating of and evaluating the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators.</p> <p>Examining the Group's right to explore in the relevant area of interest, which included obtaining and assessing supporting documentation. We also considered the status of the exploration licences as it related to tenure.</p> <p>Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area, including an assessment of the Group's cash-flow forecast models, discussions with senior management and directors as to the intentions and strategy of the Group.</p> <p>Reviewing management's evaluation and judgement as to whether the exploration activities within each area of interest have reached a stage where the commercial viability of extracting the resource could be determined.</p> <p>Assessing the adequacy of the disclosures included within the financial report.</p>
<p>Disposal of Associate</p> <p><i>Refer to Note 1(j) & 6</i></p> <p>During the year, the Group disposed of a 49% interest in the shares of Arrow (Pilbara) Pty Ltd. The Group was required to calculate the gain on disposal, which was complex due to the detailed terms in the agreement and inherent complexity of the transaction.</p> <p>There were key terms assessed and judgements made by management including but not limited to:</p> <ul style="list-style-type: none"> • Assessment of loss of significant interest for date of derecognition; • Measurement of 49% interest in associate under the equity method to date of sale; and • Assessment of fair value of consideration received. 	<p>Our procedures included, amongst others:</p> <p>Obtaining an understanding of and evaluating the processes and controls associated with the accounting required for disposals.</p> <p>Obtaining an understanding of the key terms within the sale agreement between the Group and Pacton Gold Inc., ensuring that the transaction has been recorded and disclosed in accordance with the terms of this agreement.</p> <p>Re-performing the calculations of the gain on disposal by comparing the consideration received to the carrying value of the identified assets and liabilities.</p> <p>Agreeing the consideration received from the sale to the bank statements and share certificates.</p> <p>Assessing the adequacy of the disclosures included within the financial report.</p>

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ARROW MINERALS LIMITED**

Share Based Payments

Refer to Note 1(s) & 21

Share based payments represent \$137,406 of the Group's expenditure.

Share based payments must be recorded at fair value of the service provided, or in the absence of such, at the fair value of the underlying equity instrument granted.

In calculating the fair value there are a number of judgements management must make, including but not limited to:

- Estimating the likelihood that the equity instruments will vest;
- estimating expected future share price volatility;
- expected dividend yield; and
- risk-free rate of interest.

Our procedures included, amongst others:

Obtaining an understanding of the relevant controls associated with the preparation of the valuation model used to assess the fair value of share based payments, including those relating to volatility of the underlying security and the appropriateness of the model used for valuation.

Critically evaluating and challenging the methodology and assumptions of management in their preparation of valuation model, including management's assessment of likelihood of vesting, agreeing inputs to internal and external sources of information as appropriate.

Assessing the Group's accounting policy as set out within Note 1(s) for compliance with the requirements of AASB 2 *Share-based Payment*.

Assessing the adequacy of the disclosures included within the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ARROW MINERALS LIMITED**

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ARROW MINERALS LIMITED**

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

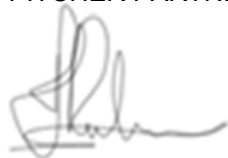
We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019. In our opinion, the Remuneration Report of Arrow Minerals Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD



JOANNE PALMER
Executive Director
Perth, 24 September 2019

Additional Information

Shareholders Information

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

Information as at 5 September 2019.

1. Shares on Issue

Total number of issued fully paid ordinary shares is 844,138,519. In addition, the Company has 120,872,133 quoted options exercisable at 10¢ on or before 31 December 2019.

2. Distribution of Holders

	Shareholders		Quoted Optionholders	
	No. of Holders	No. of Shares	No. of Holders	No. of Options
1 - 1,000	81	9,630	39	17,366
1,001 - 5,000	95	268,350	89	294,116
5,001 - 10,000	96	734,264	123	882,716
10,001 - 100,000	967	39,721,482	205	6,806,662
> 100,000	528	803,404,793	122	112,871,273
Total	1,767	844,138,519	602	120,872,133

3. Unmarketable Parcels

The number of holders of less than a marketable parcel of fully paid shares is 914.

4. Substantial Shareholders

Shareholders who hold 5% or more of the issued capital of the Company as per substantial shareholder notices lodged with ASX are listed below.

Name	Number of Shares Held	Percentage Held
Capital Di Limited	80,000,000	9.48%
Thomas McKeith	69,151,050	8.19%
Baltis Family Super Pty Ltd	68,046,880	8.06%
GenGold Resource Capital Pty Ltd	61,484,380	7.28%

5. Restricted Securities

There are no restricted securities currently on issue.

6. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary Shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

There are no voting rights attached to any class of options that is on issue.

7. On-market Buy-Back

Currently there is no on-market buy-back of the Company's securities.

8 Top 20 Holders – Ordinary Shares

Rank	Name	Units	% of Units on issue
1	Capital DI Limited	80,000,000	9.49
2	GenGold Resource Capital Pty Ltd	61,484,380	7.30
3	Zero Nominees Pty Ltd	34,482,759	4.09
4	Croesus Mining Pty Ltd	22,748,931	2.70
5	Perth Select Seafoods Pty Ltd	22,000,000	2.61
6	Mr Cuntong Cheng	17,556,867	2.08
7	Tarney Holdings Pty Ltd	14,375,000	1.71
8	Roxi Pty Ltd	13,250,000	1.57
9	R & K Watson Pty Ltd	13,125,000	1.56
10	Havelock Mining Investment Ltd	11,103,002	1.32
11	Mr Paul Hare	10,000,000	1.19
12	Fairbrother Holdings Pty Ltd	9,175,000	1.09
13	Imela Resources Exploration SARL	9,088,930	1.08
14	Mr Steven Michael	8,837,142	1.05
15	Southern Cross Capital Pty Ltd	8,750,000	1.04
16	Philip & Janet Turner Pty Ltd	8,594,160	1.02
17	BT Portfolio Services Limited	8,437,500	1.00
18	Mr Robert Arthur Behets + Mrs Kristina Jane Behets	8,250,000	0.98
19	Ocean Reef Holdings Pty Ltd	7,500,000	0.89
20	Mr Graham Allan Fraser	7,468,750	0.89
Totals: Top 20 holders of AMD ORDINARY FULLY PAID		376,227,421	44.57
Total Remaining Holders Balance		467,911,098	65.43
Total Holders Balance		844,138,519	100.00

9. Top 20 Holders – Quoted Options Exercisable at 10¢ on or before 31 December 2019

Rank	Name	Units	% of Units on Issue
1	Independence Group NL	17,241,380	14.26
2	Zenix Nominees Pty Ltd	13,793,105	11.41
3	Ian Michael Paterson Parker	6,125,000	5.07
4	Camrina Pty Ltd	5,750,000	4.76
5	Croesus Mining Pty Ltd	5,122,024	4.24
6	Croesus Mining Pty Ltd	4,328,038	3.58
7	M&K Korkidas Pty Ltd	3,800,000	3.14
8	LLB Bio Pty Ltd	2,970,000	2.46
9	Havelock Mining Investment Ltd	2,775,751	2.30
10	Tubechangers Pty Ltd	2,477,550	2.05
11	Ms Furong Zhang	1,992,446	1.65
12	Mr John Pakalniskis	1,862,007	1.54
13	Mr Luke Kukulj	1,600,000	1.32
14	Khe Sanh Pty Ltd	1,125,000	0.93
15	HSBC Custody Nominees (Australia) Limited	1,090,713	0.90
16	Eric Peter Murphy + Mrs Kim Lea Murphy	1,050,000	0.87
17	Citicorp Nominees Pty Ltd	1,033,216	0.85
18	Richmond Resources Pty Ltd	1,000,000	0.83
19	Mr Graeme Neale Black & Mrs Wendy Maree Black	1,000,000	0.83
20	Grasmere Nominees Pty Ltd	1,000,000	0.83
Totals: Top 20 holders of AMD OA EX10¢ EXP31/12/2019		77,136,230	63.82
Total Remaining Holders Balance		43,735,903	36.18
Total Holders Balance		120,872,133	100.00

10. Unquoted Securities

As at 5 September 2019 the following securities over un-issued shares were on issue:

- 13,146,469 options exercisable at \$0.07 on or before 31 December 2019.
- 120,150,000 options exercisable at \$0.02 on or before 22 August 2022.
- 37,500,000 options exercisable at \$0.0145 on or before 22 August 2023.
- 64,682,290 Class A Performance Rights expiring 26 August 2022.
- 64,682,290 Class A Performance Rights expiring 26 August 2022.
- 64,682,300 Class A Performance Rights expiring 26 August 2023.

11. Unquoted Equity Security Holders with Greater than 20% of an Individual Class

As at 5 September the following classes of unquoted securities had holders with greater than 20% of that class on issue as set out below.

	% Interest
Options exercisable at 2.0¢ on or before 22 August 2022	
Capital Di Limited	33.29%
Options exercisable at 1.45¢ on or before 22 August 2023	
Zenix Nominees Pty Ltd	96.00%
Class A Performance Rights expiring 26 August 2022	
GenGold Resource Capital Pty Ltd	100%
Class B Performance Rights expiring 26 August 2022	
GenGold Resource Capital Pty Ltd	100%
Class C Performance Rights expiring 26 August 2023	
GenGold Resource Capital Pty Ltd	100%

12. Company Secretary

The name of the Company Secretary is Matthew Foy.

13. Registered Address

The address of the principal registered office is Unit 18, 40 St Quentin Avenue, Claremont WA 6010.
Telephone (08) 9383 3330.

14. Registers

The registers of securities are held at the following address:

Advance Share Registry
110 Stirling Highway
Nedlands WA 6009

Tenement Schedule as at 5 September 2019

Tenement ID	Holder	Interest	Granted	Expiry
E09/1618	Arrow Minerals Limited & Zeus Resources Ltd	50%	16/05/2011	15/05/2021
E09/2169	Arrow (Malinda) Pty Ltd	100%	16/05/2017	15/05/2022
E09/2170	Arrow (Malinda) Pty Ltd	100%	16/05/2017	15/05/2022
E09/2197	Arrow (Malinda) Pty Ltd	100%	28/04/2017	27/04/2022
E09/2198	Arrow (Malinda) Pty Ltd	100%	28/04/2017	27/04/2022
E09/2283	Arrow (Malinda) Pty Ltd	100%	Application	
E16/495	Arrow (Strickland) Pty Ltd	100%	03/07/2017	02/07/2022
E16/498	Arrow (Strickland) Pty Ltd	100%	14/02/2019	13/02/2024
E30/488	Arrow (Strickland) Pty Ltd	100%	05/04/2017	04/04/2022
E30/493	Arrow (Strickland) Pty Ltd	100%	04/07/2017	03/07/2022
E30/494	Arrow (Strickland) Pty Ltd	100%	11/07/2017	10/07/2022
E77/2416	Arrow (Strickland) Pty Ltd	100%	03/07/2017	02/07/2022
E77/2403	Arrow (Strickland) Pty Ltd	100%	21/04/2017	20/04/2022
E77/2432	Arrow (Strickland) Pty Ltd	100%	16/10/2017	15/10/2022
E28/2317	Arrow (Plumridge) Pty Ltd & Independence Group NL	10%	22/01/2014	21/01/2019
E28/1475	Arrow (Plumridge) Pty Ltd & Independence Group NL	10%	17/11/2004	16/11/2018
E28/2266	Arrow (Plumridge) Pty Ltd & Independence Group NL	10%	25/07/2013	24/07/2023
E28/2267	Arrow (Plumridge) Pty Ltd & Independence Group NL	10%	23/04/2013	22/04/2023
E39/1084	Arrow (Plumridge) Pty Ltd & Independence Group NL	10%	11/01/2006	10/01/2019
E39/1709	Arrow (Plumridge) Pty Ltd & Independence Group NL	10%	30/05/2014	29/05/2019
E39/1710	Arrow (Plumridge) Pty Ltd & Independence Group NL	10%	09/04/2013	08/04/2023
E39/1731	Arrow (Plumridge) Pty Ltd & Independence Group NL	10%	17/11/2004	16/11/2018
E39/2088	Arrow (Plumridge) Pty Ltd	100%	Application	
16/227/MEMC/SG/DGCMIM	Gold Square Resources Sasu	100%	20/12/2016	19/12/2025
16/226/MEMC/SG/DGCMIM	Gold Square Resources Sasu	100%	20/12/2016	19/12/2025
16/228/MEMC/SG/DGCMIM	Gold Square Resources Sasu	100%	20/12/2016	19/12/2025
17/046/MEMC/SG/DGCM	Gold Square Resources Sasu	100%	18/05/2017	17/05/2026
17/047/MMC/SG/DGCM	Gold Square Resources Sasu	100%	18/05/2017	17/05/2026
17/208/MMC/SG/DGCM	Black Star Ressources Africa Sasu	100%	09/11/2017	08/11/2026
17/219/MMC/SG/DGCM	Black Star Ressources Africa Sasu	100%	20/11/2017	19/11/2026
17/220/MMC/SG/DGCM	Black Star Ressources Africa Sasu	100%	20/11/2017	19/11/2026
17/221/MMC/SG/DGCM	Black Star Ressources Africa Sasu	100%	20/11/2017	19/11/2026
18/153/MMC/SG/DGCM	Farafina Resources Sasu	100%	24/04/2018	24/08/2027
18/152/MMC/SG/DGCM	Farafina Resources Sasu	100%	24/04/2018	24/08/2027
Divole E expansion	Gold Square Resources Sasu	100%	Application	
Konkoira Expansion	Gold Square Resources Sasu	100%	Application	

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