ARROW MINERALS

ASX: AMD

19 December 2019

Gold Discovery at Divole West Project with 17m @ 3.3g/t Au

HIGHLIGHTS:

- **Assay results from the first two fence lines of drilling (11 holes) have confirmed a near-surface gold discovery at the Divole West Gold Project**
- **Significant gold intersections, continuous between holes and sections, include:**
  - **17m @ 3.3g/t Au from 2m, inc. 13m @ 3.8g/t Au**
  - **33m @ 1.9g/t Au from 21m, inc. 9m @ 4.3g/t Au**
  - **23m @ 1.0g/t Au from 22m, inc. 3m @ 3.2 g/t Au**
  - **7m @ 2.2g/t Au from 10m, inc. 2m @ 4.9g/t Au**
- **The initial drilling program is 30% complete and will continue through the end of December with further assay results expected in January**

Arrow Minerals Limited (**Arrow** or the **Company**) is pleased to announce a gold discovery at the Divole West Gold Project in Burkina Faso. The first two sections of a 3,000m RC drilling programme have produced significant gold grades and thicknesses on adjacent holes and sections (***Figure 1***).

Arrow's Chief Executive Officer, Mr Howard Golden, said:

"We are delighted at these results from Divole West, featuring an intersection of 33m @ 1.9g/t Au in our first drill hole. It's early days in the programme, but particularly gratifying to see these outstanding results in an area with no previous exploration or artisanal workings. These results validate Arrow's project generation methodology and drill targeting process.

The drilling is now about one-third complete, and we are looking forward to announcing results from the remaining 2km of anomalous strike length early in the new year."

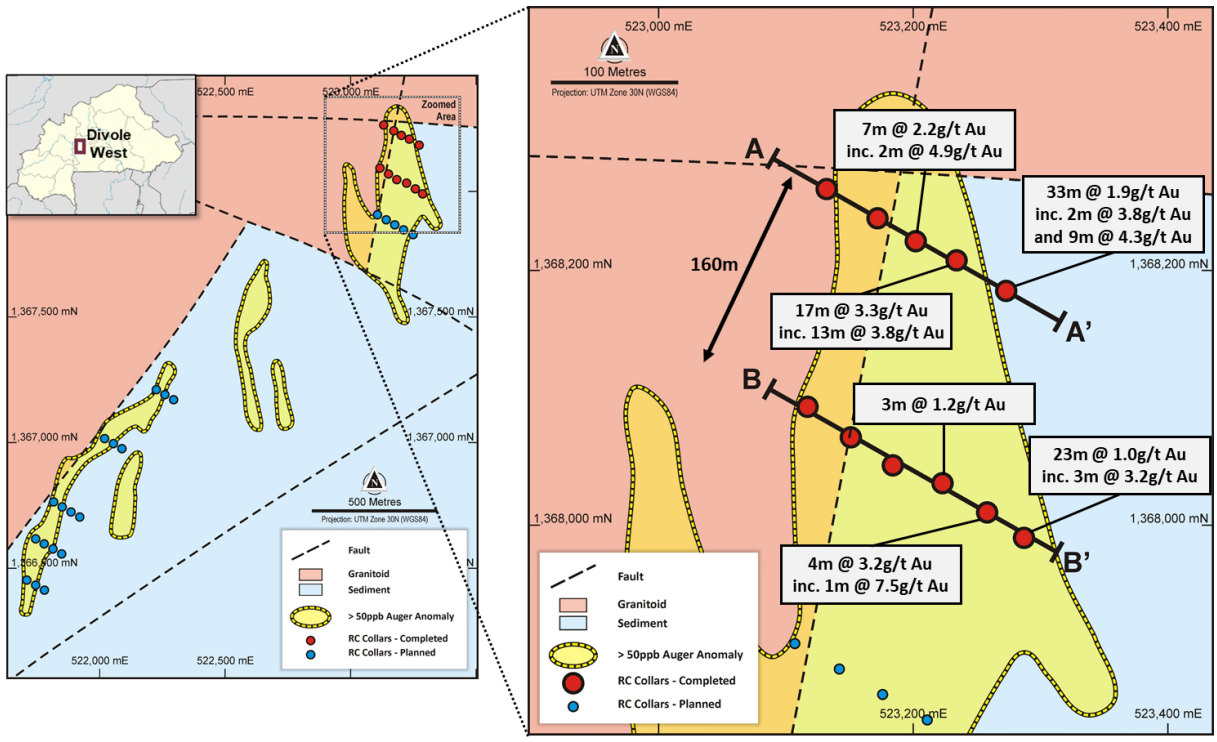

Figure 1: Divole West planned RC drill collars (left) and significant drill results (right)

The initial RC drill programme at Divole West is underway, with results received from approximately 30% of the drilling. The project was targeted in an unexplored portion of the Birimian Shield of Burkina Faso. Anomalous soil geochemistry from 2017 led to an auger sampling programme in 2018. The auger results defined a previously unknown gold mineralised system with over 2km of strike length with multiple high gold values up to 6.1g/t Au (*see ASX announcement on 22 October 2019*).

Assays from the first two of eight drilling profiles have resulted in a near-surface gold discovery. A continuous mineralised zone appears to be hosted in siliciclastic sediments with quartz veining near the contact with a mylonitic granitoid with silicification, pyrite and minor quartz veining. The sections below indicate the gold mineralisation remains open and thickens to the east (***Figures 2 and 3***).

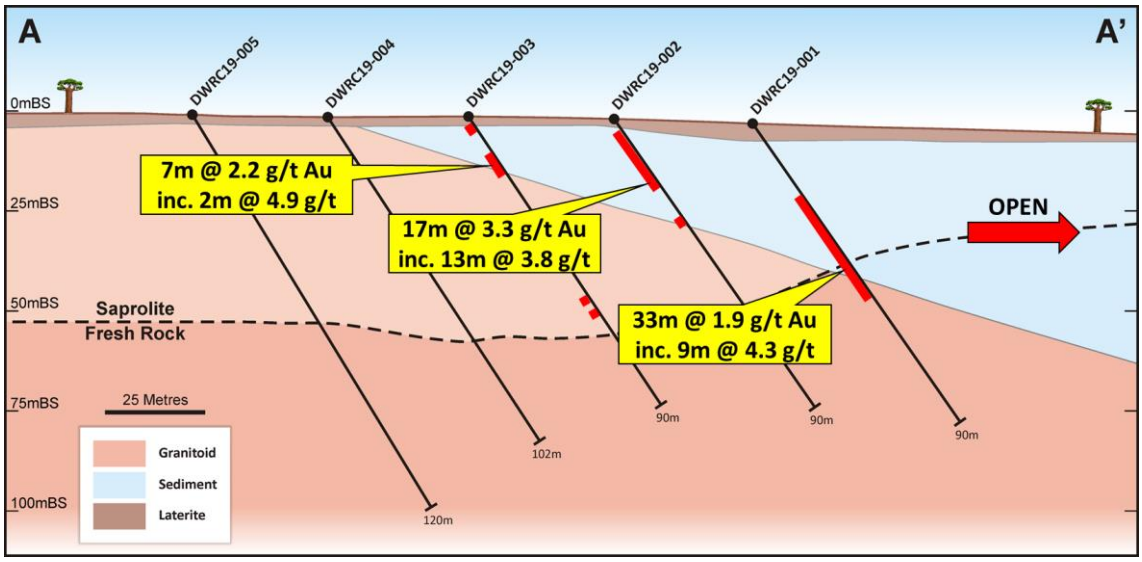

Figure 2: Cross section (A - A') showing significant gold intersections (≥1g/t Au)

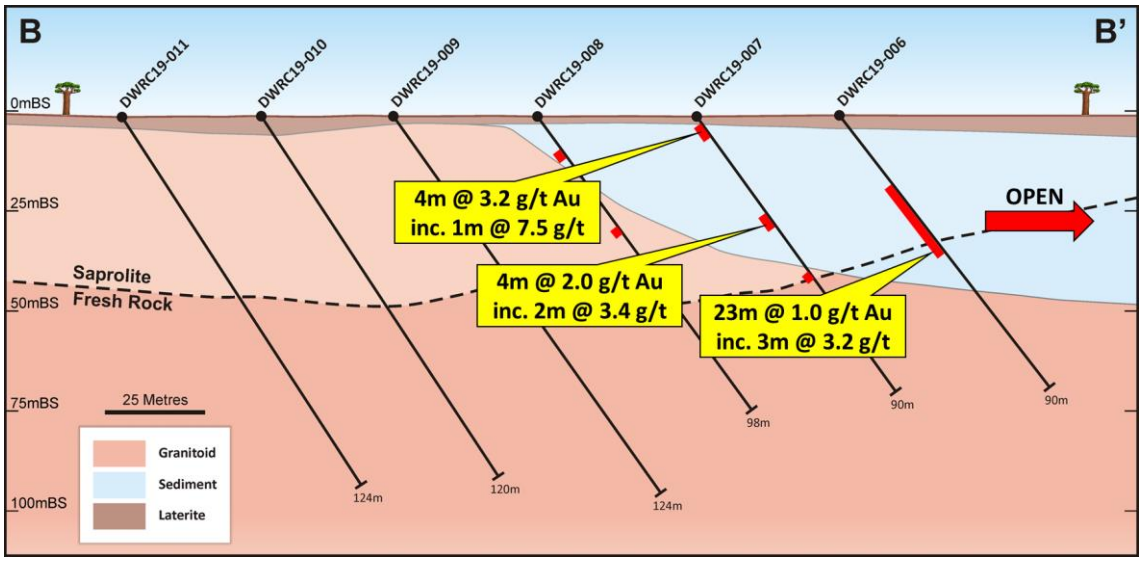

Figure 3: Cross section (B - B') showing significant gold intersections (≥1g/t Au)

Gold mineralisation is hosted predominantly by sediments, is at very shallow depths, and is continuous between holes. Significant intersections from the drilling finished thus far include:

- 17m @ 3.3g/t Au from 2m, inc. 13m @ 3.8g/t Au
- 33m @ 1.9g/t Au from 21m, inc. 9m @ 4.3g/t Au
- 23m @ 1.0g/t Au from 22m, inc. 3m @ 3.2g/t Au
- 7m @ 2.2g/t Au from 10m, inc. 2m @ 4.9g/t Au

Figure 4: RC rig on site at Divole West on Hole DW-RC-19-001

A further 22 holes along strike are in progress to complete the Divole West drilling programme (***Figure 1***). With adequate funds on hand and a pre-paid drilling contract with Capital Drilling, Arrow is well prepared to complete this drilling phase and additional follow-up drilling to better understand the Divole West gold discovery.

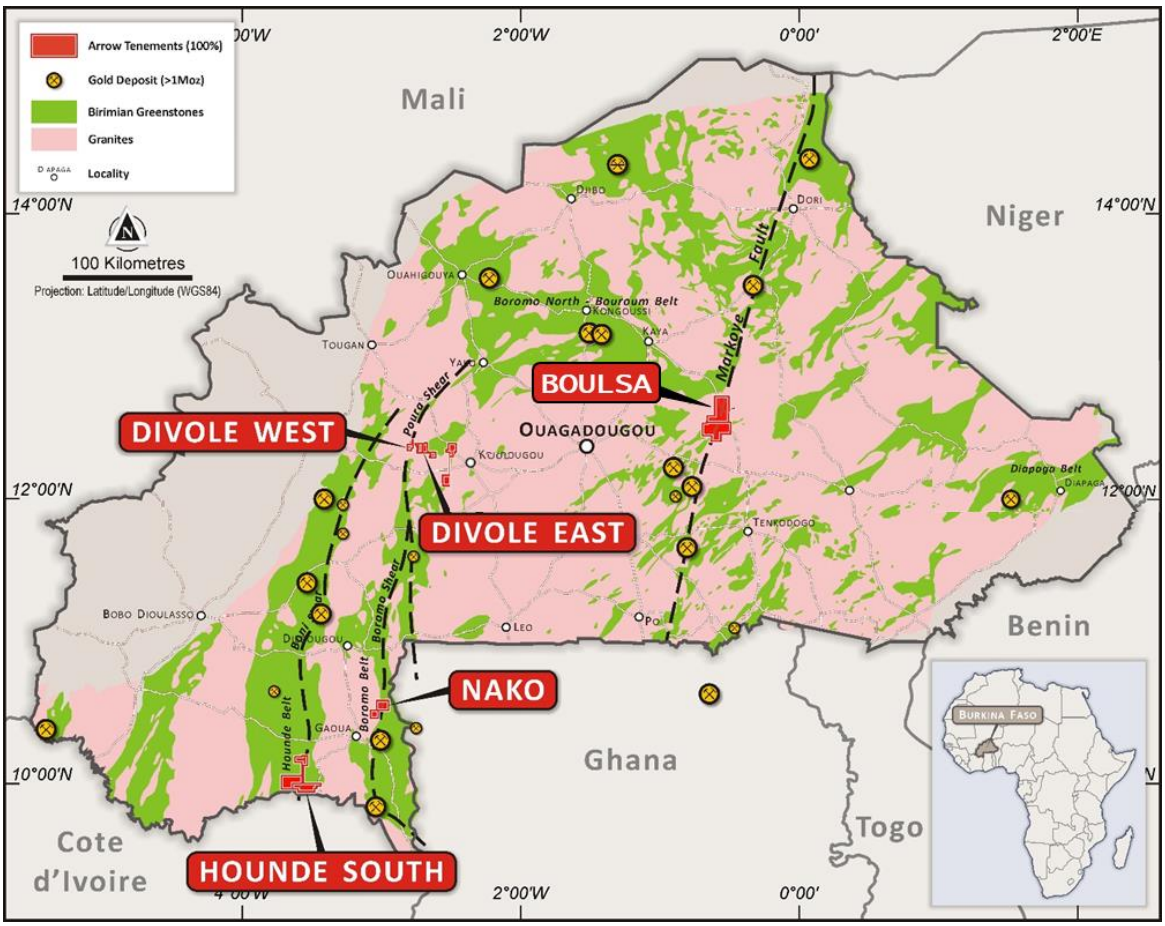

Figure 5: Arrow Burkina Faso gold exploration projects – location map

Appendix A: Significant RC Drill Results (≥ 1g/t Au)

Hole ID	From (m)	To (m)	Width (m)	Grade (g/t Au)
DW_RC_19_001	21	54	33	1.9
	inc. ***23***	***25***	***2***	***3.8***
	29	***38***	***9***	***4.3***
DW_RC_19_002	2	19	17	3.3
	inc. ***6***	***19***	***13***	***3.8***
	28	31	3	1.4
DW_RC_19_003	2	5	3	1.5
	10	17	7	2.2
	inc. ***14***	***16***	***2***	***4.9***
	31	32	1	1.5
	57	58	1	1.1
	62	63	1	1.0
DW_RC_19_004	59	60	1	1.9
DW_RC_19_006	22	45	23	1.0
	inc. ***29***	***32***	***3***	***3.2***
DW_RC_19_007	2	6	4	3.2
	inc. ***5***	***6***	***1***	***7.5***
	32	36	4	2.0
	inc. ***33***	***35***	***2***	***3.4***
	47	48	2	1.0
DW_RC_19_008	10	13	3	1.2
	37	38	1	1.2

Intersection Widths are downhole widths

Appendix B: RC Drill Hole Information

Hole ID	Easting	Northing	RL	Dip	Azimuth	EOH
DW_RC_19_001	523273	1368184	271m	-55°	120°	90m
DW_RC_19_002	523234	1368208	279m	-55°	120°	90m
DW_RC_19_003	523202	1368223	275m	-55°	120°	90m
DW_RC_19_004	523172	1368241	273m	-55°	120°	102m
DW_RC_19_005	523132	1368264	267m	-55°	120°	120m
DW_RC_19_006	523287	1367990	265m	-55°	120°	90m
DW_RC_19_007	523258	1368010	268m	-55°	120°	90m
DW_RC_19_008	523223	1368033	265m	-55°	120°	98m
DW_RC_19_009	523184	1368047	263m	-55°	120°	124m
DW_RC_19_010	523151	1368069	271m	-55°	120°	120m
DW_RC_19_011	523117	1368093	268m	-55°	120°	124m

Drill type: Reverse circulation
Coordinates are reported in UTM WGS84 Zone 30

Announcement authorised for release by Howard Golden, Chief Executive Officer of Arrow.

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

Arrow Minerals Limited

Mr Howard Golden
Chief Executive Officer

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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 full-time employee of Arrow 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.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Pulverised rock sample at 1m intervals of which an approximate 2.5kg sample was taken for assay.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Reverse Circulation (RC) drilling was used to collect 1m pulverized rock samples using a face sampling hammer.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Visual estimates of recovery were made and only recorded where there were significant differences in volumes of chip sample. • Overall sample recovery is considered good, and in line with normal expectations for this type of drilling.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• RC drill chips have been geologically logged to a level that is considered relevant to the style of mineralization under investigation. All relevant reverse circulation intervals with potential for gold and other mineralisation have been sampled • Lithological and structural information was collected on paper logs including lithology, mineralogy, mineralization, weathering, colour and other appropriate features using a geological legend appropriate for West African geology and subsequently entered into a digital database. • All logging is qualitative. • Selected chip samples from each hole were washed and placed into plastic chip trays for future reference.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The sample material from the RC drilling is collected by passing the drill spoil through a riffle splitter after passing through the drill rig cyclone at 1m intervals to collect an approximate 2.5kg sample in a plastic bag.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• ALS Burkina SARL, Ouagadougou Burkina Faso was contracted to carry out the sample prep and analysis. • 1m Samples were analysed using 50g fire assay for total separation of gold using the ALS BGS Au-AA26 technique. • A total of 1,138 reverse circulation samples were submitted for fire assay. In addition, 47 standard samples with known gold contents, 25 blank samples, and 25 duplicate samples were submitted for assay for QA/QC purposes • No umpire or third-party assay checks were completed. • Data is reviewed before being accepted into the database. Any batches failing QA/QC analysis resubmitted for check assays. Dataset QA/QC contains acceptable levels of precision and accuracy. A third-party independent database administrator, Mitchell River Group, has been contracted for QA/QC control and data validation.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All assay results were received electronically from the laboratory and digitally merged with field logs, after which spot manual checks were made to ensure this had been completed correctly. No adjustments were necessary to the assay or logging data. • No twinning of reverse circulation drilling has been undertaken due to the early stage of exploration.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Collar positions of the reverse circulation holes were located with GPS, and drillhole azimuth at the collar was determined with a combination of GPS and compass readings. At the completion of each hole, the collar was capped with concrete and drillhole details inscribed in the cement. • Down hole surveys were undertaken by the drill contractor utilizing a Reflex EZ-Shot downhole survey instrument and by single shot Eastman Cameras. Survey intervals of 30m and end of hole were routinely collected. No strongly magnetic rock units are present within the deposit which may upset magnetic based readings. • Divole East project coordinates are reported in this document using WGS84 UTM Zone 30N.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The reverse circulation drilling was conducted on nominal 160m spaced drill traverses with between three and eight holes per section. • Drilling was not sufficient, along with surface and artisanal workings exposures, to develop a good enough geological understanding of stratigraphy, intrusions, and veining orientations within the prospect area drilled to establish mineral resources. • No sample compositing was applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The drilling is early stage and not adequately spaced to determine identification of the key geological features with high confidence, but an estimate of the continuity of structures and lithological units can be made.
Sample security	• *The measures taken to ensure sample security.*	• Samples are removed from the field immediately upon collection and stored in a secure compound for subsampling and preparation for laboratory dispatch. Samples are then delivered to the laboratory directly from the field. Sample submission forms are sent in hardcopy, as well as electronically, to the laboratories.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Databases were reviewed for obvious discrepancies and validated by a third-party database administrator, however no audits were completed on these early exploration results.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmentalsettings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Divole East Project comprises 2 separate permits. Arrow Minerals is 100% owner of these permits o Divole East: granted on 2017/05/18 arrete 17/046/MEMC/SG/DGCM and transferred on 2017/12/29 arrete 17/249/MMC/SG/DGCM o Dyabya: granted on 2019/05/10 arrete 19/047/MMC/CG/DGCM • The Divole West Project comprises a single exploration permit. Arrow Minerals is 100% holder of this permit. o Divole West: granted on 2017/05/18 arrete 17/047/MMC/SG/DGCM and transferred on 2017/12/29 arrete 17/250/MMC/SG/DGCM • The Hounde South Project comprises 2 separate exploration permits. Arrow Minerals is 100% holder of these permits. o Fofora: granted on 2016/12/20 arrete 16/226/MEMC/SG/DGCMIM o Konkoira: granted on 2016/12/20 arrete 16/228/MEMC/SG/DGCMIM • The Nako Project comprises a single exploration permit. Arrow Minerals is 100% holder of this permit. o Nako: granted on 2016/12/20 arrete 16/227/MEMC/SG/DGCMIM • The Gourma Project comprises 4 separate exploration permits. Arrow Minerals is the 100% holder of these permits o Gountouna: granted on 2017/11/09, arrete 17/208/MMC/SG/DGCM o Artougou East: granted on 2017/11/20, arrete 17/219/MMC/SG/DGCM o Matiakoali BSR: granted on 2017/11/20 arrete 17/220/MMC/SG/DGCM o Bankartougou West: granted on 2017/11/20 arrete 17/221/MMC/SG/DGCM • The Boulsa Project comprises 2 exploration permits. Arrow Minerals is the 100% holder of these permits o Lilyala: granted on 2018/08/24, arrete 18/152/MMC/SG/DGCM o Konkoira: granted on 2018/08/24, arrete 18/228/MMC/SG/DGCM
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No historic exploration by other parties has been recovered for the Divole West project area.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Arrow projects are all hosted in granite/greenstone belts of the Proterozoic Birimian Shield in Burkina Faso. The exploration is targeting orogenic style gold mineralisation systems.

Criteria	JORC Code explanation	Commentary
Drillhole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:* - *easting and northing of the drillhole collar* - *elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar* - *dip and azimuth of the hole* - *down hole length and interception depth* - *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The drill hole data referred to in this document has been summarised in Appendix B.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The reverse circulation drill results have been reported using a 0.5g/t edge grade and incorporating a maximum of 3m of consecutive internal dilution. Only intersections with average grades of at least 1 g/t are reported. • N/A as no metal equivalents are used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Drill holes have been oriented as close as possible to perpendicular to interpreted strike orientation of the mineralisation • Reported intersections are downhole widths. Exploration at the prospects is at an early stage and insufficient information is currently available to infer true widths
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.*	• Summary maps are provided in this document.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Further exploration activities are required to allow assessment of potential target size and will be provided when Arrow Minerals progresses work and data validation.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Nil.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further exploration work will occur at Divole West utilising skilled staff and fit for purpose techniques including, depending on requirements, reverse circulation and diamond drilling, drainage sampling, soils, auger, geological mapping, ground and airborne geophysics. Specific targets for follow up are being defined at Divole West using data included in this report and illustrated in the relevant figures.