

ARROW MINERALS LIMITED

ACN 112 609 846

NOTICE OF GENERAL MEETING

TIME: 9:00am WST

DATE: Wednesday, 19 August 2020

PLACE: Arrow Minerals Limited
18/40 St Quentin Ave
Claremont WA 6010

In accordance with subsection 5(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020, the Company will not be despatching physical copies of the Notice of General Meeting. Instead, Shareholders can access a copy of the Notice via the ASX Market Announcements Platform and the Company's website at www.arrowminerals.com.au.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9383 3330.

CONTENTS

Business of the Meeting (setting out the proposed Resolutions)	4
Explanatory Statement (explaining the proposed Resolutions)	7
Glossary	14
Schedule 1 – Terms and Conditions of Convertible Notes	15
Proxy Form	Enclosed

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 9:00am WST on Wednesday, 19 August 2020 at:

Arrow Minerals Limited
18/40 St Quentin Ave
Claremont WA 6010

If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available via the Company's ASX platform at www.asx.com.au (ASX Code: AMD) and on the Company's website.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

The Company encourages its Shareholders to consider lodging a directed proxy in advance of the Meeting. To lodge your directed proxy in advance of the Meeting, please follow the steps set out in your enclosed personalised Proxy Form and lodge it by 9:00am WST on Monday, 17 August 2020.

If you wish to ask questions of the Board, Shareholders are encouraged to lodge questions in advance of the Meeting by emailing info@arrowminerals.com.au by no later than 9:00am WST on Monday, 17 August 2020.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm WST on Monday, 17 August 2020.

How to vote

All resolutions at the Meeting will be decided by poll, based on votes submitted by proxy and at the Meeting. Shareholders can vote by either:

- For personal use only
- (i) attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
 - (ii) appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

A separate personalised poll form must be completed for each Shareholder. Voting for multiple shareholders cannot be combined into one form.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting in person (or by attorney)

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representation should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e., as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE CONVERTIBLE NOTES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to Resolution 2 being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue 1,000,000 Convertible Notes to Noteholders (or their respective nominees) and, upon conversion, the issue of Conversion Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 1 by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any Associate of those persons. However, this does not apply to a vote cast in favour of Resolution 1 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2 – APPROVAL TO ISSUE SHARES UNDER TRANCHE 2 OF THE PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue 137,303,518 Shares to raise \$823,821 (before costs) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person or its nominee who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any Associate of that person (or those persons). However, this does not apply to a vote cast in favour of Resolution 2 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – TRANCHE 1 OF THE PLACEMENT (7.1 PLACEMENT SHARES)

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 132,257,889 Shares under Tranche 1 of the Placement on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: Voting exclusion: The Company will disregard any votes cast in favour of Resolution 3 by any person who participated in the issue or is a counterparty to the agreement being approved, and any Associate of those persons. However, this does not apply to a vote cast in favour of Resolution 3 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – TRANCHE 1 OF THE PLACEMENT (7.1A PLACEMENT SHARES)

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 97,105,259 Shares under Tranche 1 of the Placement on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 4 by any person who participated in the issue or is a counterparty to the agreement being approved, and any Associate of those persons. However, this does not apply to a vote cast in favour of Resolution 4 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

- For personal use only
- (b) the Chair of the Meeting acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
 - (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 17 July 2020

By order of the Board



Catherine Grant-Edwards
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – APPROVAL TO ISSUE CONVERTIBLE NOTES

1.1 Background

On 16 June 2020, the Company announced a capital raising comprising of:

- (a) a placement of up to 366,666,666 Shares at an issue price of 0.6 cents per Share to sophisticated or professional investors in accordance with subsections 708(8) and 708(11) of the Corporations Act (**Placement Subscribers**) to raise up to \$2.2 million (before costs) (**Placement**); and
- (b) a proposed issue of up to 1,000,000 unsecured convertible notes with a face value of \$1.00 each to sophisticated or professional investors in accordance with subsections 708(8) and 708(11) of the Corporations Act (**Noteholders**) to raise up to \$1 million (before costs) (**Convertibles Notes**).

Funds raised from the capital raising will be used to:

- (i) Dassa, Burkina Faso – further drilling (commencing July 2020) to increase the size of the existing gold discovery (announced January 2020) along the 3km long mineralised corridor;
- (ii) Boulsa, Burkina Faso – analysis of stream sediment samples and follow up as appropriate (Q3 2020);
- (iii) Divole East – soil and auger sampling – all good results followed up by RC drilling (Q4 2020);
- (iv) Nako, Burkina Faso – soil sampling and follow-up work indicated by soil results (Q4 2020);
- (v) Dyapya, Burkina Faso – soil sampling and follow-up work indicated by soil results (Q1 2021);
- (vi) Strickland Gold/Copper Project, Western Australia – electromagnetic surveys over CU-Au targets; and
- (vii) general working capital purposes.

Resolution 1 seeks Shareholder approval for the issue of 1,000,000 Convertible Notes to the Noteholders and the issue of Shares on conversion of the Convertible Notes (**Conversion Shares**). A summary of the material terms of the Convertibles Notes is set out in Schedule 1 of this Notice.

The Placement is being conducted in two tranches, with the Company utilising its existing placement capacity in issuing the first tranche of 229,363,148 Shares on 24 June 2020 (**Tranche 1**). The second tranche of the Placement, being 137,303,518 Shares (**Tranche 2**) is subject to Shareholder approval.

Resolution 2 seeks Shareholder approval for the issue of Shares under Tranche 2 of the Placement. Resolutions 3 and 4 seek ratification of Shares issued under Tranche 1 of the Placement.

The issue of Convertible Notes is conditional on Shareholders approving Tranche 2.

1.2 ASX Listing Rule 7.1

Resolution 1 seeks Shareholder approval for the Company to issue up to 1,000,000 Convertible Notes and the underlying Conversion Shares to the Noteholders (or their respective nominees).

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

The issue of the Convertible Notes and underlying Conversion Shares does not fit within any of the specified exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of Shareholders under ASX Listing Rule 7.1. To this end, Resolution 1 seeks approval for the issue of the Convertible Notes under and for the purposes of Listing Rule 7.1.

If Resolution 1 is passed the issue of the Convertible Notes and underlying Conversion Shares can proceed without using any of the Company's 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1 as it will fall within the placement capacity exception set out in Listing Rule 7.2 Exception 9.

If Resolution 1 is not passed, the issue of the Convertible Notes cannot proceed. If Shareholder approval is not received, the Noteholders are not obliged to subscribe for the Convertible Notes. If Shareholder approval is not received before 11 September 2020, the Noteholders and the Company will be entitled to terminate the Convertible Note Deed.

Resolution 1 is an ordinary Resolution and is conditional on Resolution 2 (also an ordinary Resolution) being approved by Shareholders.

Arrow's directors and its largest shareholder, GenGold Resource Capital Pty, intend to vote in favour of Resolution 1.

1.3 Information Required by Listing Rule 7.3

For the purpose of Listing Rules 7.3, information regarding the issue of the Convertible Notes and the underlying Conversion Shares is provided as follows:

- (a) the maximum number of Convertible Notes to be issued are 1,000,000 with a face value of \$1.00 each. The maximum number of underlying Conversion Shares to be issued cannot be ascertained at the time of this Notice due to the variable conversion price set out in (d) below. However, at the date of this Notice, the Company may issue up to 133,333,333 Conversion Shares on conversion of the Convertible Notes at a price of 0.75 cents per Conversion Share, with other conversion price scenarios set out in the table in (d) below;
- (b) the Convertible Notes will be issued on or about 26 August 2020 and in any event no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);

- (c) the issue price of the Convertible Notes is \$1.00 each;
- (d) the deemed issue price of the Conversion Shares will be a 25% premium to the issue price per Share pursuant to the Placement (**Conversion Price**), being 0.75 cents per Conversion Share. If, during the term of the Convertible Notes, the Company undertakes a further equity raising(s) at an issue price lower than the issue price of the Placement then the Conversion Price of the Convertible Notes will be reset to a conversion price of a 25% premium to the lower issue price. If the Company undertakes a further equity raising at an issue price lower than the price of the Placement, the issue of Convertible Notes and, subsequently, the Conversion Shares could be highly dilutive to Shareholders. Some scenarios to reflect the dilutive impact are set out in the table below.

Conversion Price	Total number of Conversion Shares on conversion of 1m Convertible Notes
\$0.0075 (current Conversion Price)	133,333,333
\$0.005625 (75% of current Conversion Price)	177,777,777
\$0.00375 (50% of current Conversion Price)	266,666,666

- (e) the securities comprise:
- (i) 1,000,000 Convertible Notes on the terms and conditions set out in Schedule 1; and
 - (ii) upon the conversion of the Convertibles Notes, fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue. The Company will apply to ASX for official quotation of the Shares;
- (f) the Convertible Notes (and underlying Conversion Shares) will be issued to the Noteholders (or their nominees), being investors selected by the Company in consultation with the Hartleys Limited. None of the Noteholders are related parties of the Company. None of the Noteholders are "material investors" as per ASX Guidance Note 21, paragraph 7.2.
- (g) the Convertible Notes are to be issued pursuant to the Convertible Note Deed, the material terms of which are set out in the summary of the Convertible Notes in Schedule 1;
- (h) the funds raised from the issue of the Convertible Notes are intended to be used in the drilling and exploration programmes outlined in the Company's ASX announcement on 16 June 2020 and outlined in section 1.1; and
- (i) a voting exclusion statement is included in the Notice.

1.4 Director's Recommendation

The Board believes that the proposed issue is beneficial for the Company and recommends Shareholders vote in favour of the Resolution. It will allow the Company to retain the flexibility to issue further equity securities representing up to 15% of the Company's share capital during the next 12 months.

The Directors unanimously recommend that shareholders approve Resolution 1.

The Chairman of the Meeting will be casting undirected proxies in favour of this resolution.

2. RESOLUTION 2 – ISSUE OF SHARES UNDER TRANCHE 2 OF THE PLACEMENT

2.1 General

As detailed in Section 1.1 of this Explanatory Statement, the Company has received firm commitments for a Placement to raise \$2.2 million (before transaction costs) via a two-tranche placement of a total of up to 366,666,666 Shares at an issue price of 0.6 cents per Share.

2.2 ASX Listing Rule 7.1

Resolution 2 seeks Shareholder approval for the issue of 137,303,518 Shares under Tranche 2 at an issue price of 0.6 cents to raise \$823,821, subject to Shareholder approval.

As described at section 1.2 of this Explanatory Statement, ASX Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

The issue of the Shares under Tranche 2 of the Placement does not fit within any of the specified exceptions and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of Shareholders under ASX Listing Rule 7.1. To this end, Resolution 1 seeks approval for the issue of the Shares under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed the issue of the Shares can proceed without using any of the Company's 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

If Resolution 2 is not passed, the issue of the Shares under Tranche 2 of the Placement cannot proceed, and the Company will not be able to raise the additional funds of \$823,821. In addition, as Resolution 1 is conditional on Resolution 2 being passed, the Noteholders will not be obliged to subscribe for the Convertible Notes as Resolution 1 will be deemed to not have passed. The Noteholders and the Company will be entitled to terminate the Convertible Note Deed if Shareholder approval is not received before 11 September 2020.

2.3 Technical information required by ASX Listing Rule 7.3

A summary of ASX Listing Rule 7.1 is contained in section 1.2 of this Notice.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the maximum number of Shares to be issued is 137,303,518;
- (b) the issue price of the Shares is 0.6 cents per Share;
- (c) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of all of the Shares occur on the same date;
- (d) the Shares will be issued to the Placement Subscribers, being investors selected by the Company in consultation with the Hartleys Limited. None of the Placement Subscribers are related parties of the Company. None of the Tranche 2 Placement Subscribers are "material investors" as per ASX Guidance Note 21, paragraph 7.2.
- (e) the Shares will be issued on the same terms and conditions as the Company's existing Shares;
- (f) The funds raised from the issue of the Placement Shares are intended to be used in the drilling and exploration programmes outlined in the Company's ASX announcement on 16 June 2020 and outlined in section 1.1; and
- (g) a voting exclusion statement is included in the Notice.

2.4 Director's Recommendation

The Board believes that the proposed issue is beneficial for the Company and recommends Shareholders vote in favour of the Resolution. It will allow the Company to retain the flexibility to issue further equity securities representing up to 15% of the Company's share capital during the next 12 months.

The Directors unanimously recommend that shareholders approve Resolution 2.

The Chairman of the Meeting will be casting undirected proxies in favour of this Resolution.

3. RESOLUTIONS 3 & 4 - RATIFICATION OF PRIOR ISSUE – TRANCHE 1 PLACEMENT SHARES

3.1 Background

On 24 June 2020 the Company issued 229,363,148 Shares utilising the Company's existing placement capacity under Listing Rules 7.1 and 7.1A in the following proportions:

- (a) 132,257,889 Shares were issued at 0.6 cents per Share under ASX Listing Rule 7.1 and are the subject of Resolution 3; and
- (b) 97,105,259 Shares were issued at 0.6 cents per Share under ASX Listing Rule 7.1A and are the subject of Resolution 4.

3.2 ASX Listing Rule 7.4

On 15 November 2019, the Company held its annual general meeting where shareholder approval was sought and obtained to, amongst other things, refresh its placement capacity pursuant to Listing Rule 7.1 and approve an additional 10% placement capacity pursuant to Listing Rule 7.1A.

The Company issued the Shares under Tranche 1 of the Placement without prior Shareholder approval pursuant to both its 15% annual placement capacity under ASX Listing Rule 7.1 and additional 10% placement capacity under ASX Listing Rule 7.1A.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 132,257,889 Shares under Tranche 1 of the Placement issued on 24 June 2020 at an issue price of 0.6 cents per Share under ASX Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 97,105,259 Shares under Tranche 1 of the Placement issued on 24 June 2020 at an issue price of 0.6 cents per Share under ASX Listing Rule 7.1A.

ASX Listing Rule 7.1 provides that a company must not (subject to specified exceptions), issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to have the additional capacity to issue equity securities during any 12 month period up to that amount which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period, subject to that issue satisfying certain criteria.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 and 7.1A (and provided that the previous issue did not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1 and 7.1A.

The Company wishes to retain as much flexibility to issue additional equity securities into the future without having to obtain shareholder approval for such issues. By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and up to the 10% additional placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

If Resolutions 3 and 4 are passed, the issue of Shares under Tranche 1 of the Placement will be excluded in calculating the Company's 15% limit under ASX Listing Rule 7.1 and the Company's 10% limit under ASX Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date, being 24 June 2020.

If Resolutions 3 and 4 not passed, the issue of Shares under Tranche 1 of the Placement Shares will be included in calculating the Company's 15% limit under ASX Listing Rule 7.1 and the Company's 10% limit under ASX Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date, being 24 June 2020.

3.3 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 3 and 4:

- For personal use only
- (a) In relation to Resolution 3, 132,257,889 Shares were issued on 24 June 2020 and in relation to Resolution 4, 97,105,259 Shares were issued on 24 June 2020;
 - (b) the issue price per Share was 0.6 cents each for both Resolution 3 and Resolution 4;
 - (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (d) the Shares were issued to Placement Subscribers, being investors selected by the Company in consultation with the Hartleys Limited. None of the subscribers are related parties of the Company. Of the Placement Subscribers, the following party is a "material investor" as per ASX Guidance Note 21, paragraph 7.2:
 - (i) Capital DI Limited, a substantial holder in the entity, participated in the Placement by subscribing for 25,000,000 of the Tranche 1 Placement Shares which resulted in an decrease in their interest to 9.16%;
 - (e) the funds raised from the issue of the Placement Shares are intended to be used in the drilling and exploration programmes outlined in the Company's ASX announcement on 16 June 2020 and outlined in section 1.1; and
 - (f) a voting exclusion statement is included in the Notice.

3.4 Director's Recommendation

The Directors unanimously recommend that shareholders approve Resolutions 3 and 4 to approve the ratification of Tranche 1 of the Placement.

The Chairman of the Meeting will be casting undirected proxies in favour of this Resolution.

GLOSSARY

\$ means Australian dollars.

Associate has the meaning given to that term in the ASX Listing Rules.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Arrow Minerals Ltd (ACN 112 609 846).

Conversion Shares has the meaning given to it in Section 1.1.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Placement has the meaning given to it in Section 1.1(a).

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Australian Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF CONVERTIBLE NOTES

The terms and conditions of the Convertibles Notes are as follows:

Conditions Precedent	The subscription for Convertibles Notes is conditional on: (a) the Company obtaining shareholder approval pursuant to Listing Rule 7.1 for the issue of Convertible Notes; and (b) satisfaction of due diligence enquiries, by no later than 11 September 2020.
Issue	Unlisted, unsecured convertible notes ("Convertible Notes") with a face value of \$1.00 per Convertible Note to raise gross proceeds of \$1,000,000. The terms and conditions of the Convertible Notes are contained in a binding convertible note deed dated 15 June 2020 ("Convertible Note Deed").
Face Value	Each Convertible Note will have a Face Value of A\$1.00
Maturity Date	15 June 2024
Conversion	Each Convertible Note is convertible into new fully paid ordinary shares in the Company ("Shares") at the holder's election at any time after the allotment of the Convertible Notes and prior to the Maturity Date at a conversion price of a 25% premium to the issue price per Share pursuant to the Placement ("Conversion Price"), being 0.75 cents per Share. If during the term of the Convertible Notes the Company undertakes a further equity raising(s) at an issue price lower than the issue price of the Placement, then the Conversion Price of the Convertible Notes will be reset to a conversion price of a 25% premium to the lower issue price. The noteholder may convert at any time during the notice period. Convertibles Notes may be converted into Shares within the timeframe above upon election by the Convertible Note holder, provided that such election is in writing and given to the Company prior to the Maturity Date ("Conversion Notice"). The Company must issue the new Shares and ensure their tradability on the ASX within 5 business days of receiving the Conversion Notice.
Interest Rate	8% per annum.
Interest Payments	Interest will accrue daily and will be paid at the end of every quarter from the allotment date up to the Maturity Date and paid to the noteholder within 5 business days of the end of the period. Any interest accrued up to the point of conversion by the noteholder will be payable within 5 business days of conversion.
Early Repayment	The Company may repay the Convertible Notes at any time at or after 36 months from date of issue of the Convertible Notes and prior to the Maturity Date by providing at least 30 days' written notice to the noteholders, provided that the Company's share price is no less than 3 times the Conversion Price (eg. If the conversion price is 0.75cps, then the share price must be no less than 2.25cps). The Convertible Note holders may elect to convert at any time during the notice period. The Convertible Note holder may demand, at their sole election, to be redeemed early at the face value of the Convertible Notes plus any accrued interest if the Company raises funds via debt or hybrid debt - equity instruments without the prior approval of the Convertible Note holder(s).
Events of Default	Upon the occurrence of an Event of Default (as defined in the Convertible Note Deed), the Convertible Note holder may for so long as the Event of Default is continuing by written notice to the Company require immediate redemption of all outstanding Convertible Notes together with all interest and other outstanding monies to be immediately due and payable to the holder without the need for any further demand or notice to be given.
Repayment	On the Maturity Date, the Company must pay to the holder of a Convertible Note: (c) the Face Value on all unconverted Convertible Notes held by the holder on that date; and (d) all unpaid accrued interest.
Debt Restrictions	From the date of the execution of the Convertible Note Deed until the Maturity Date, the Company must not effect or enter into any prohibited transaction without the written consent of the Subscriber ("Prohibited Transaction"). A Prohibited Transaction means: a) the creation of any debt liability (monies borrowed or raised) by the Company (or any wholly owned subsidiary of the Company) after the execution of the Convertible Note Deed including any loan, bill, bond, debenture, note or similar instrument other than in the ordinary course of business; and b) the granting of any security or encumbrance to the value in excess of \$50,000 over all or part of the assets and undertakings of the Company after the execution of this Deed.
Security	The Convertible Notes will be unsecured.
Transferability	The Convertible Notes will be transferable, subject to the transferee being an 'exempt' investor or 'sophisticated' investor. The transferee must satisfy the requirements of either s708(8), 708(10) or 708(11) of the Corporations Act 2001 (Cth) ("Corporations Act").

Change of Control	On the announcement of a change of control transaction, the Convertible Note holder may elect to Convert at their sole discretion or to have the Convertible Notes redeemed by the Company at the Face Value plus any accrued interest.
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ARROW
MINERALS

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

2020 GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Arrow Minerals Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the
meeting

OR



PLEASE NOTE: If you leave the section blank,
the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held at Arrow Minerals Limited, 18/40 St Quentin Ave, Claremont WA 6010 on 19 August 2020 at 9:00am (WST) and at any adjournment or postponement of that Meeting.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES:

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

VOTING DIRECTIONS

Resolutions

For Against Abstain*

1 APPROVAL TO ISSUE CONVERTIBLE NOTES

☐☐☐

2 APPROVAL TO ISSUE SHARES UNDER TRANCHE 2 OF THE PLACEMENT

☐☐☐

3 RATIFICATION OF PRIOR ISSUE – TRANCHE 1 OF THE PLACEMENT (7.1 PLACEMENT SHARES)

☐☐☐

4 RATIFICATION OF PRIOR ISSUE – TRANCHE 1 OF THE PLACEMENT (7.1A PLACEMENT SHARES)

☐☐☐

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PLEASE NOTE: If you appoint the Chair as your proxy (or if he is appointed by default) but do not direct him how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as he sees fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 9:00am (WST) on 17 August 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033