

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

DECEMBER QUARTER HIGHLIGHTS:

- A 25 RC hole (3,100m) reverse circulation drilling programme has commenced at Arrow's Dassa gold discovery in Burkina Faso to infill and expand known gold mineralisation. Previous Dassa drilling has confirmed >500m strike-length of continuous gold mineralisation including:

17m @ 3.3g/t Au from 2m
33m @ 1.9g/t Au from 21m
3m @ 4.4g/t Au from 98m

6m @ 3.8g/t Au from 117m
5m @ 1.5g/t Au from 74m
2m @ 4.9g/t Au from 14m

The quarter ended 31 December 2020 was an active one, setting the stage for a 2021 aimed at a consolidation of excellent results in West Africa and Australia (**Figure 1**). Arrow Minerals Limited (**Arrow** or the **Company**) (ASX: **AMD**) has successfully managed its response to the COVID-19 pandemic and continued to receive good results at the Dassa project in Burkina Faso as well as at the Strickland VMS copper-gold project in Western Australia. Work continued as well on the Plumridge joint venture project in Australia and the Hounde South earn-in project in Burkina Faso.

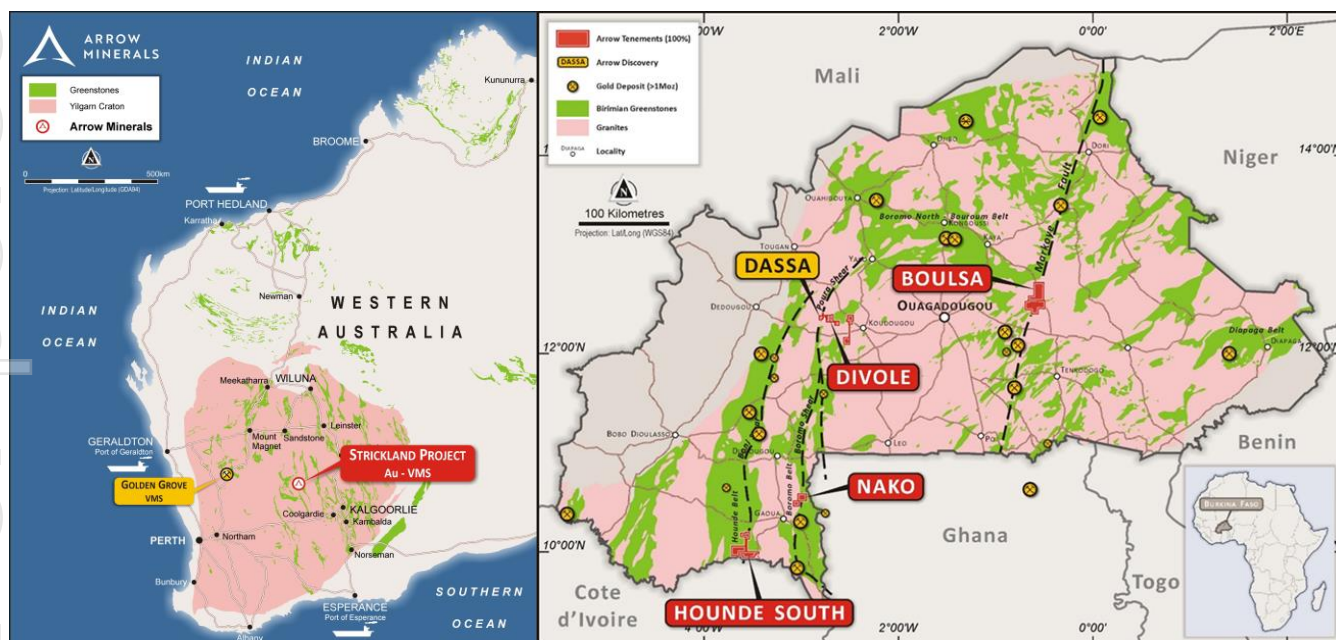


Figure 1: Location maps of Strickland project, Western Australia, and Burkina Faso projects

DASSA PROJECT, BURKINA FASO

Dassa RC Drilling Programme

A 3,100m reverse circulation (RC) drilling programme commenced at the Dassa gold discovery on the Divole West exploration permit in Burkina Faso. The drilling (**Figure 2**) has been designed to confirm the continuity of gold mineralisation between existing widely spaced drilling profiles as well as to extend the known mineralisation from the previous RC drilling at Dassa.

To date, the Company has completed 8,669m of RC drilling on the Divole West permit in Burkina Faso, which resulted in the discovery of continuous gold mineralisation in two zones at Dassa (see ASX announcement on 25 September 2020). The current programme is focussed on the northern Dassa zone that extends for more than 500m along strike and is open to the north, south and down-dip. Results of the Dassa drilling are expected in mid-February 2021.

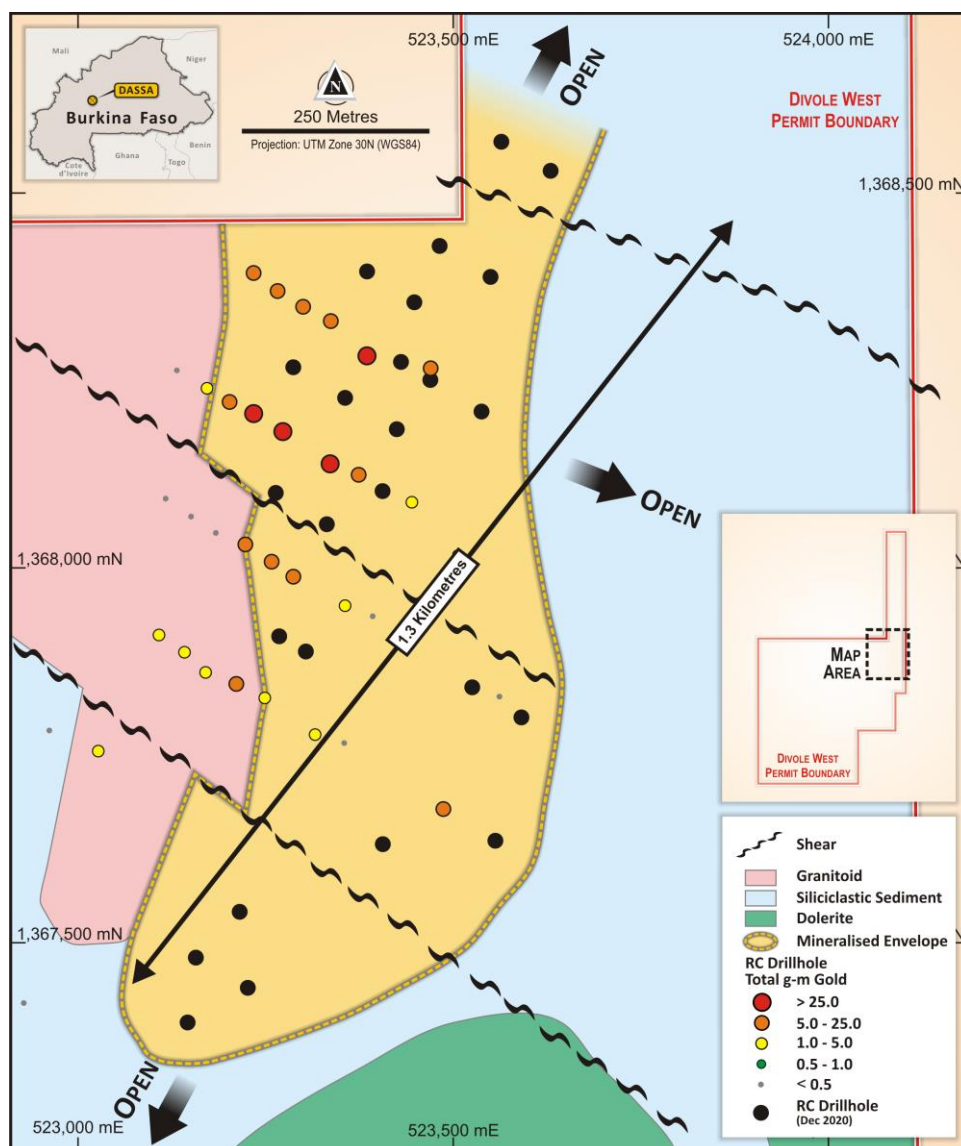


Figure 2: Dassa geology with previous RC drilling (as Au g-m) and planned RC drill holes

HOUNDE SOUTH JOINT VENTURE PROJECT (AMD 100%, Roxgold earning in to 70%)

All conditions precedent to the definitive agreement (Earn-in Agreement) with Roxgold Inc. (TSX: ROXG) (Roxgold) on the Hounde South permits in Burkina Faso have been satisfied. Roxgold can earn a 70% interest in Arrow's Hounde South Project (Project) after exploration expenditure of up to US\$1 million (~A\$1.4 million) in two stages over four years. The satisfaction of the conditions precedent triggered an Effective Date for the Earn-in Agreement of 7 August 2020.

The Project consists of two exploration licences (the Fofora and Konkoira permits) adjacent to Roxgold's Boussoura permit in southwest Burkina Faso (see **Figure 3**).

Under the Earn-in Agreement, Roxgold can acquire an initial 51% interest in the Project with the option to increase its interest to 70% through exploration expenditure as follows:

- First earn-in stage – Roxgold earns 51% interest by spending US\$600,000 (~A\$0.85 million¹) over two years from the effective date (7 August 2020);
- Second earn-in stage – Roxgold may increase its interest to 70% by spending US\$400,000 (~A\$0.6 million¹) over the following two years; and
- Roxgold and Arrow will form a joint venture where both companies contribute according to their interest for the remainder of the project life.

Roxgold is planning an aggressive exploration programme on the earn-in permits during calendar year 2021 Including up to 22,000m of auger drilling and follow-up RC drilling on anomalous results.

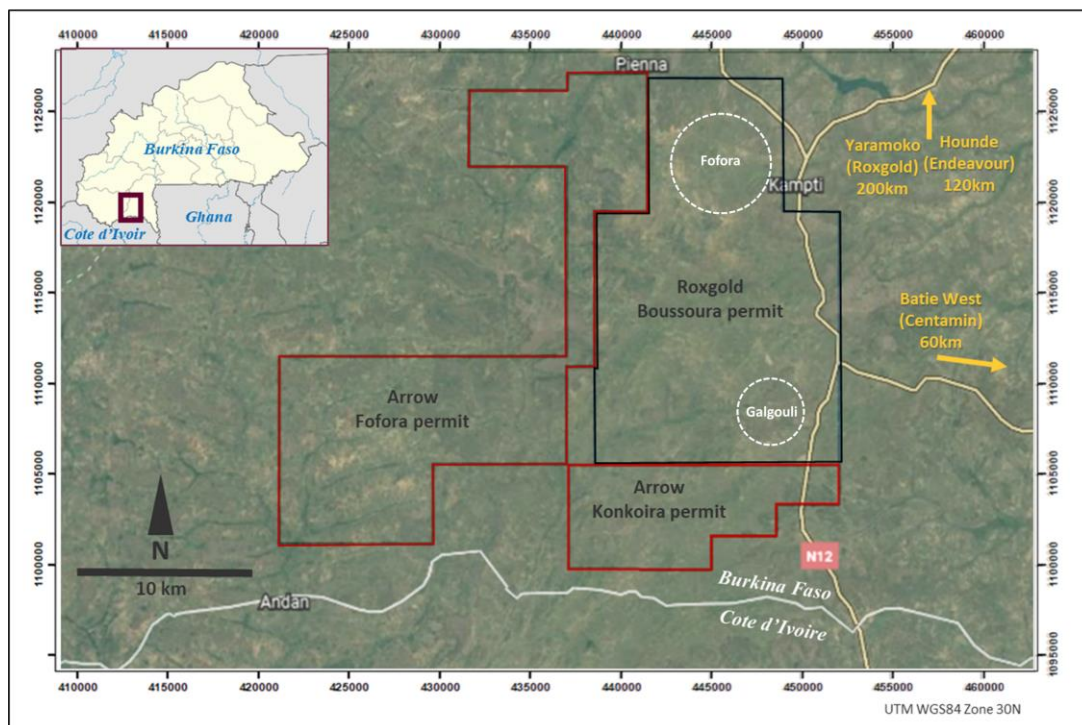


Figure 3: Arrow JV and Roxgold tenement locations

STRICKLAND PROJECT, WESTERN AUSTRALIA

Arrow has identified seven significant conductivity anomalies at its Strickland copper-gold project in Western Australia, shown in the location map in **Figure 1**. Arrow completed a helicopter-borne SkyTEM electromagnetic survey at Strickland in late September 2020. The survey was designed to test strong

geochemical signatures consistent with volcanogenic massive sulphide (VMS) copper-gold mineralisation identified in analysis of historical data. All seven conductive anomalies are shallow and correspond with geochemical and/or geological environments favourable for VMS mineralisation.

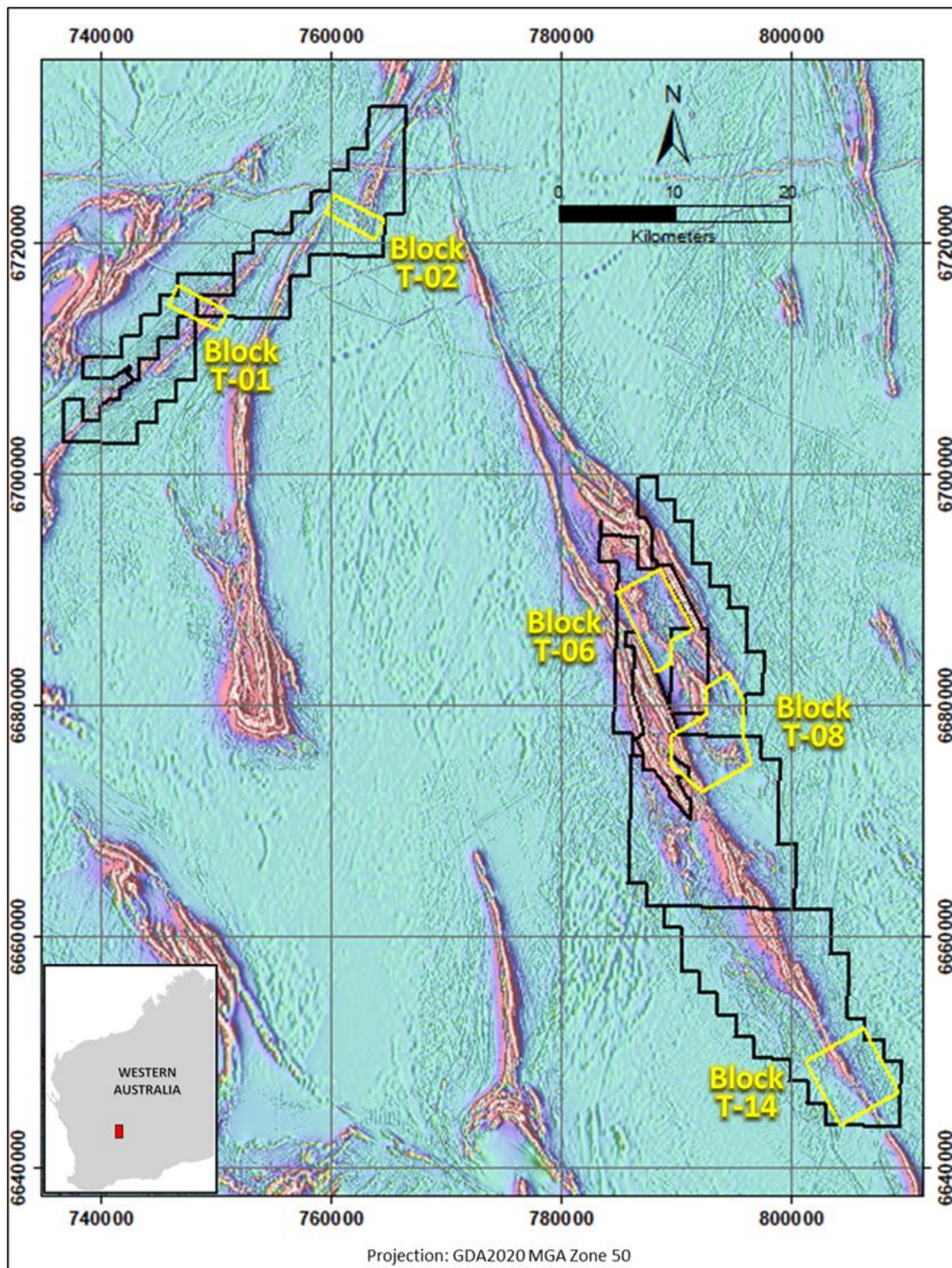


Figure 4: Strickland location map showing geology and Arrow gold and copper-gold tenements with Cu-Au VMS survey blocks. Background is pole reduced magnetic field map.

Base metals geochemical anomalism was detected in geochemical samples from previous aircore (AC) and reverse circulation (RC) drilling that had focussed exclusively on orogenic gold exploration as previously reported to the ASX (*refer to ASX announcements on 11 December 2017, 24 January 2018, 14 June 2018, 12 July 2018, 17 May 2018, 22 November 2018, 27 February 2019 and 14 May 2020*). Recent studies of this historical data highlighted the potential for VMS copper and gold mineralisation at five high quality target areas in the Strickland tenement block (**Figure 4**). The recently completed TEM survey identified seven discrete conductors coincident with strong Cu and Au anomalism of up to 2.2% Cu and 9.6 g/t Au in the historical drilling.

The conductors detected in the TEM survey at Strickland provide drill targets with geological and geochemical support for VMS copper-gold mineralisation. Arrow will undertake a programme to ground-truth the anomalies in the field followed by drill testing on anomalies that are shown to be prospective.

PLUMRIDGE NICKEL PROJECT (AMD 10%, IGO Limited 90%)

During the quarter, DHEM was completed in the Skipjack, Sergeant, Billy, Entire and Blowfish Diamond Drillholes. The DHEM at the Skipjack prospect has identified a strong off-hole conductor and a final drill hole report will be completed and form the basis for justification of further work at this prospect in 2021. A geochemical anomaly was identified over the Cerberus prospect from AC assay results following up a hydrogeochemical anomaly. A comprehensive review of the aircore drilling lithologies and geochemistry will be undertaken next quarter to understand the source of the anomaly.

Between the 1 October and 15 December 2020, the following exploration activities were completed by IGO Limited (IGO) within the IGO – Arrow Minerals Ltd (AMD) Joint Venture on tenements: E39/1710, E39/1731, E28/2266 and E28/1475 (**Figure 5**):

- **Diamond Drilling:** Five holes drilled for a combined 1,641.6m.
- **Aircore Drilling:** No drilling this quarter
- **Moving Loop Electromagnetics (MLEM):** Three surveys completed.
- **Down Hole Electromagnetics (DHEM):** Surveys carried out on all completed diamond holes.
- **Rehabilitation:** 36.7 line-km of track rehabilitation completed.

Planned work for the next quarter will comprise:

- Comprehensive review of AC geochemistry from Cerberus and planning further field exploration activities.
- Detailed diamond drill hole summaries, incorporating all previous work, geology logging, structure, geochemistry assays and geophysical reports.
- 2021 Field season planning.

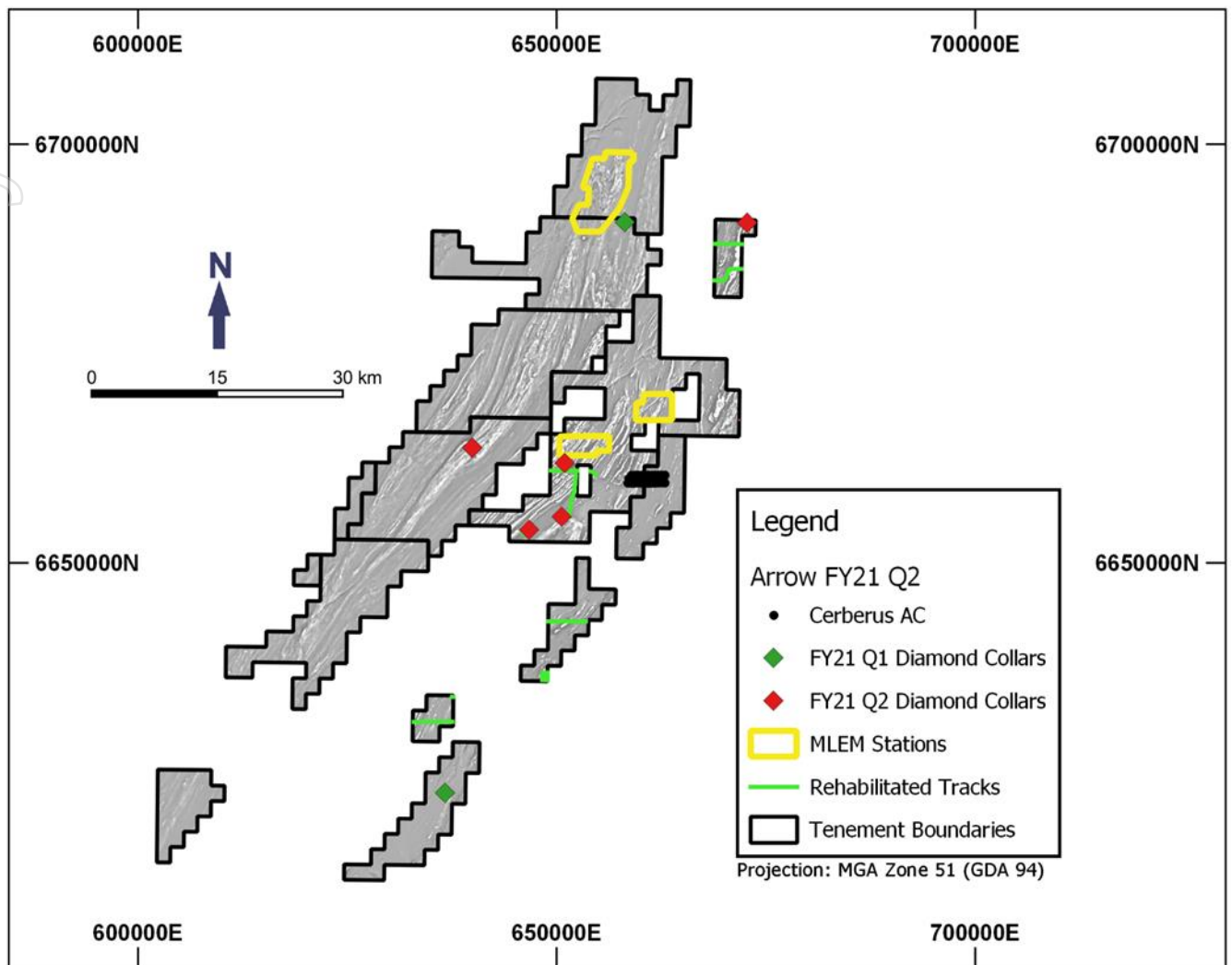


Figure 5: Exploration activity summary FY21 Q2

CORPORATE AND FINANCIAL

Annual General Meeting

The Company held its annual general meeting of shareholders on 19 November 2020 where all resolutions put to shareholders were decided by way of a poll. For more information, refer to the Notice of Meeting available via the Company's website.

Financial Position

As at 31 December 2020 Arrow had \$2,129,000 in available cash.

Expenditure on Mining Exploration Activities

In accordance with ASX Listing Rule 5.3.1, the Company advises its exploration and evaluation expenditure during the December 2020 quarter totalled \$341,000. This amount is included at Item 2.1(d) of the Appendix 5B, \$210,000 relating to Australia (\$33,000 on drilling and related costs; \$75,000 Airborne geophysical activities; \$28,000 tenement rent, rates and management; \$18,000 on land access and native title costs; \$41,000 consulting fees; \$15,000 other) and a further \$131,000 in Burkina Faso (\$22,000 tenement rent; \$33,000 drilling and associated assaying; \$24,000 field costs; \$52,000 consulting and other). Refer to the projects overview commentary above for details of activities conducted during the quarter.

Payments to Related Parties and their Associates

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totalled \$98,497. The Company advises that \$91,493 of this relates to Directors fees. An amount of \$4,004 was paid to Mitchell River Group (a director-related party of Dr Frazer Tabcart) for data analysis. An amount of \$3,000 was paid to GenGold Resource Capital Pty Ltd (a director-related party of Mr Tommy McKeith) for rental of geotechnical equipment. These amounts are included at Item 6 of the Appendix 5B.

Capital Structure

During the quarter, movements in securities were as follows:

- 3,550,000 unlisted options exercisable at 1.0¢ on or before 11/12/2023 were issued pursuant to the Company's Employee Securities Incentive Plan

The capital structure of Arrow at 31 December 2020 is set out below:

Quoted Securities

Ordinary shares on issue (ASX:AMD)	1,334,638,010
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Unquoted Securities

Unlisted options exercisable at 2.0¢ on or before 22/08/2022	120,150,000
Unlisted options exercisable at 1.25¢ on or before 15/10/2022	10,000,000
Unlisted options exercisable at 1.45¢ on or before 22/08/2023	37,500,000
Unlisted options exercisable at 1.0¢ on or before 11/12/2023	3,550,000
Class B Performance Rights subject to performance conditions (ex. 26/08/2022)	69,682,290
Class C Performance Rights subject to performance conditions (ex. 26/08/2023)	69,682,300
Convertible Notes	1,000,000

Announcement authorised for release by Howard Golden, Managing Director of Arrow.

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

Arrow Minerals Limited

Mr Howard Golden

Managing Director

E: info@arrowminerals.com.au

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 the Company 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.

Appendix A – Schedule of Western Australian Tenements as at 31 December 2020

Tenement ID	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
Strickland Gold Project				
E16/495	Granted	100%	-	100%
E30/493	Granted	100%	-	100%
E30/494	Granted	100%	-	100%
E77/2403	Granted	100%	-	100%
E77/2416	Granted	100%	-	100%
E77/2432	Granted	100%	-	100%
E77/2634	Granted	-	100%	100%
Malinda Lithium Project				
E09/2169	Granted	100%	-	100%
E09/2170	Granted	100%	-	100%
E09/2197	Granted	100%	-	100%
E09/2198	Granted	100%	-	100%
E09/2283	Granted	100%	-	100%
Plumridge Nickel Project				
E28/1475	Granted	10%	-	10%
E28/2266	Granted	10%	-	10%
E28/2267	Granted	10%	-	10%
E28/2317	Granted	10%	-	10%
E39/1084	Granted	10%	-	10%
E39/1709	Granted	10%	-	10%
E39/1710	Granted	10%	-	10%
E39/1731	Granted	10%	-	10%
E39/2088	Granted	100%	-	100%

Appendix B – Schedule of Burkina Faso Tenements as at 31 December 2020

Tenement ID	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
Divole East & West				
2020-193/MMC/SG/DGCM	Renewed	100%	-	100%
2020-192/MMC/SG/DGCM	Renewed	100%	-	100%
19/047/MMC/SG/DGCM	Granted	100%	-	100%
2020-190/MMC/SG/DGCM	Granted	100%-	-	100%
Boulsa				
18/152/MMC/SG/DGCM	Granted	100%	-	100%
18/153/MMC/SG/DGCM	Granted	100%	-	100%
2020-147/MMC/SG/DGCM	Granted	100%-	-	100%
Hounde South & Nako				
2020-084/MMC/SG/DGCM	Granted	100%	-	100%
2020-161/MMC/SG/DGCM	Renewed	100%	-	100%
2020-162/MMC/SG/DGCM	Renewed	100%	-	100%
Gourma				
17/208/MMC/SG/DGCM	Granted	100%	-	100%
17/219/MMC/SG/DGCM	Granted	100%	-	100%
17/220/MMC/SG/DGCM	Granted	100%	-	100%
17/221/MMC/SG/DGCM	Granted	100%	-	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ARROW MINERALS LIMITED

ABN

49 112 809 846

Quarter ended ("current quarter")

31 DECEMBER 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(91)	(156)
(e) administration and corporate costs	(276)	(524)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(43)	(46)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	42	37
1.9 Net cash from / (used in) operating activities	(367)	(688)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(62)
(d) exploration & evaluation	(341)	(830)
(e) investments	-	-
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	122	587
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(219)	(305)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	824
3.2	Proceeds from issue of convertible debt securities	-	1,000
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(144)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	1,680

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,716	1,444
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(367)	(688)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(219)	(305)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,680

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(2)
4.6	Cash and cash equivalents at end of period	2,129	2,129

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,132	2,717
5.2	Call deposits	-	-
5.3	Bank overdrafts – credit card	(3)	(1)
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,129	2,716

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	57
6.2	Aggregate amount of payments to related parties and their associates included in item 2	41
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Item 1.2 (d) contains \$13k to Geogen Consulting Pty Ltd for Dr Frazer Tabeart's director's fees and \$44k to other directors on payroll.</p> <p>Item 2.1 (d) includes \$4k to Mitchell River Group, a related party of Dr Frazer Tabeart and \$3k to Gengold Resources (Pty) Ltd, a related party of Thomas McKeith, as well as \$34k in allocated director salary to exploration activities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.</p>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(367)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(341)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(708)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,129
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,129
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.01
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2021

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.