

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2021

JUNE QUARTER HIGHLIGHTS

- **2,000m Reverse Circulation (RC) drilling programme underway in Burkina Faso**
- **Auger geochemical sampling continued at the Hounde South Project (Fortuna JV)**
- **Copper-gold volcanogenic massive sulphide (VMS) targets at the Strickland project tested with RC drilling and downhole geophysical surveys**
- **Trevali Mining Corporation Joint Venture Agreement nearing completion**
- **\$3 million capital raise to advance aggressive exploration program completed**

The quarter ended 30 June 2021 saw Arrow Minerals Limited (**Arrow** or the **Company**) (ASX: **AMD**) take steps to advance its projects in both Burkina Faso and Australia.

Burkina Faso

Trevali Joint Venture

The final agreement to provide Arrow access to Trevali Mining Corporation's (TSX:TV) (**Trevali**) mineral exploration permits adjacent to Arrow's Divole East, Divole West and Dyapya exploration permits in central Burkina Faso advanced toward completion. It is anticipated the agreement will be signed in the coming weeks opening a large swathe of the underexplored strike of the prospective Boromo Belt to Arrow for exploration.

Divole East

RC drilling has been completed at the Divole East permit representing the first step in an aggressive exploration programme to advance the understanding of the gold mineralised system at the Poa prospect. Assay results are expected in August 2021.

Hounde South JV

At Arrow's joint venture with Fortuna Silver Mines in southern Burkina Faso, Fortuna has continued with an extensive programme of auger sampling and conducted an airborne geophysical survey.

Australia

Strickland

Arrow tested five coincident geochemical and geophysical targets with RC drilling and downhole electromagnetic geophysical surveys at the Strickland VMS copper-gold project in Western Australia. Assay results are expected in August 2021 and have been affected by slow turn-around at our laboratory.

OPERATIONS

BURKINA FASO

Trevali Joint Venture

Arrow is concluding discussions with Trevali Mining Corporation (TSX: TV) (**Trevali**) on a final agreement for an earn-in joint venture based on a binding term sheet signed in February 2021 (**Agreement**)¹. The term sheet set out terms for an exploration joint venture with Trevali Mining wherein both parties receive reciprocal exploration rights to their exploration permits in the highly prospective Boromo gold belt in Burkina.

The Agreement covers eight exploration licences – Kikio, Kordie, Pilimpikou, Semapoun, and Viveo (100% Trevali); and Divole East, Divole West and Dyapya (100% Arrow) as shown in **Figure 1** and **Figure 2**.

The area sits within the prolific Boromo Belt that hosts multimillion-ounce gold deposits to the north and south of the 1,024 km² Arrow-Trevali permit block. The Agreement is transformational for Arrow, providing access to a large swathe of the Boromo Belt and providing the opportunity to expand on the Company's exploration success that resulted in the discovery of the Dassa deposit on the 100% Arrow Divole West permit.

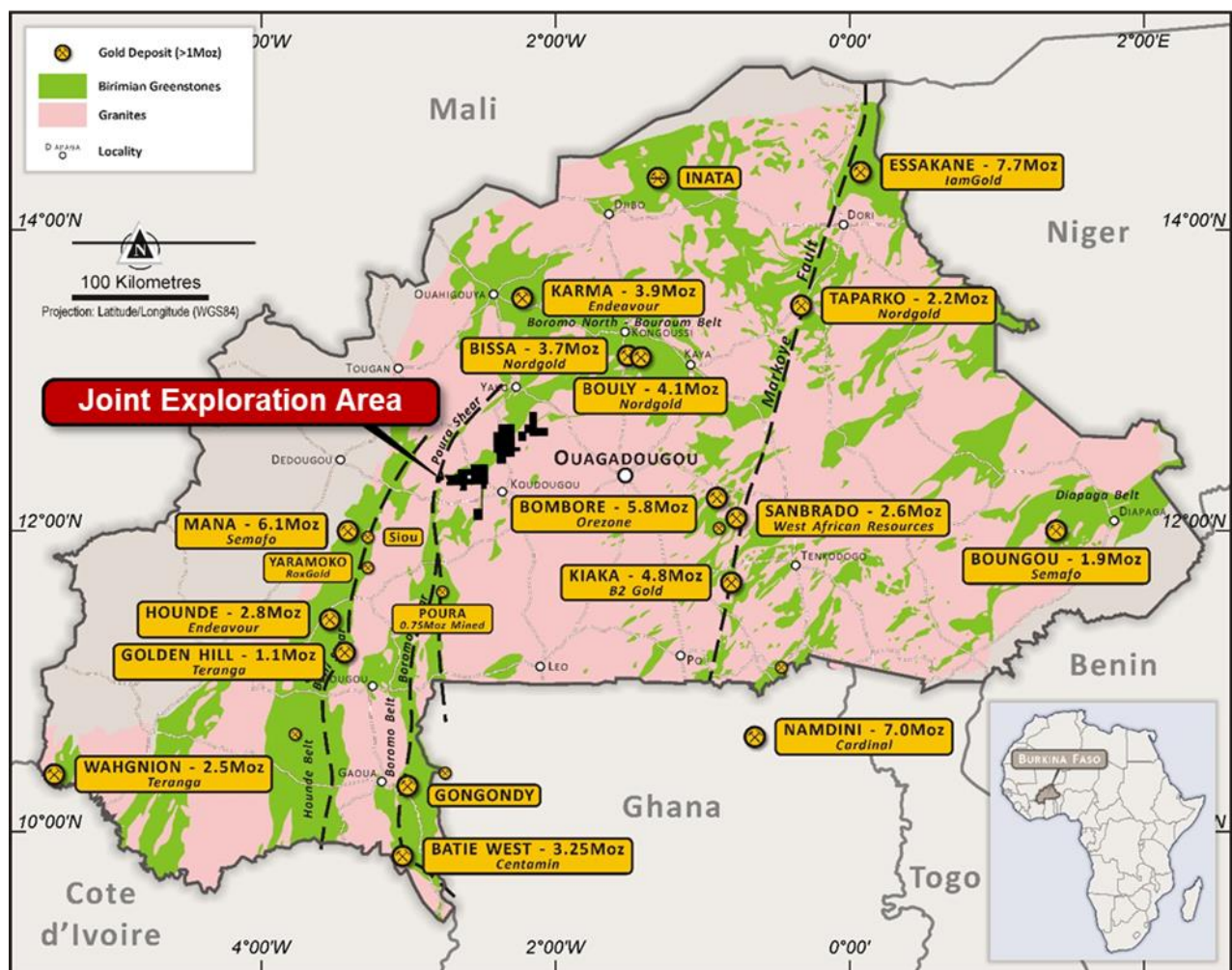


Figure 1: Arrow-Trevali Joint Exploration Permit Area

¹ AMD ASX Announcement 26 February 2021 – Transformative Exploration Agreement in Burkina Faso

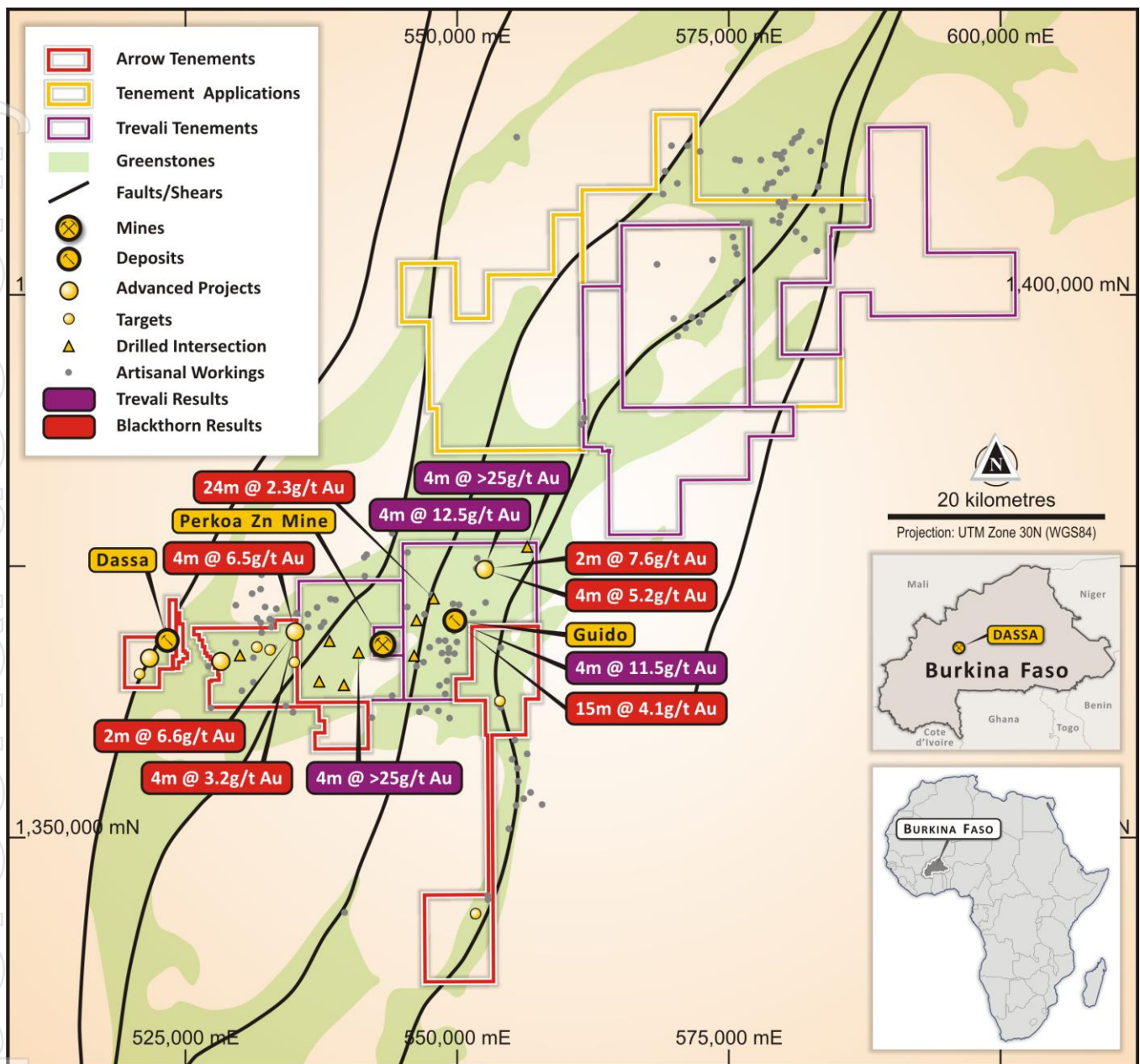


Figure 2: Boromo Belt with Arrow permits, Trevali permits, and selected targets for 2021

Divole East Permit

Poa Prospect

Arrow commenced a 2,000m RC drilling programme at the recently defined Poa prospect on the Divole East exploration permit in Burkina Faso^{2,3} shown in **Figure 3**. Drilling is aimed at defining bedrock gold mineralisation under multiple shallow geochemical anomalies at Poa. Results are expected during August 2021.

² AMD ASX Announcement 17 May 2021 – Drilling Commenced on Burkina Faso Targets

³ AMD ASX Announcement 28 April 2021 – Burkina Faso Update – Unlocking the Potential of the Boromo Belt

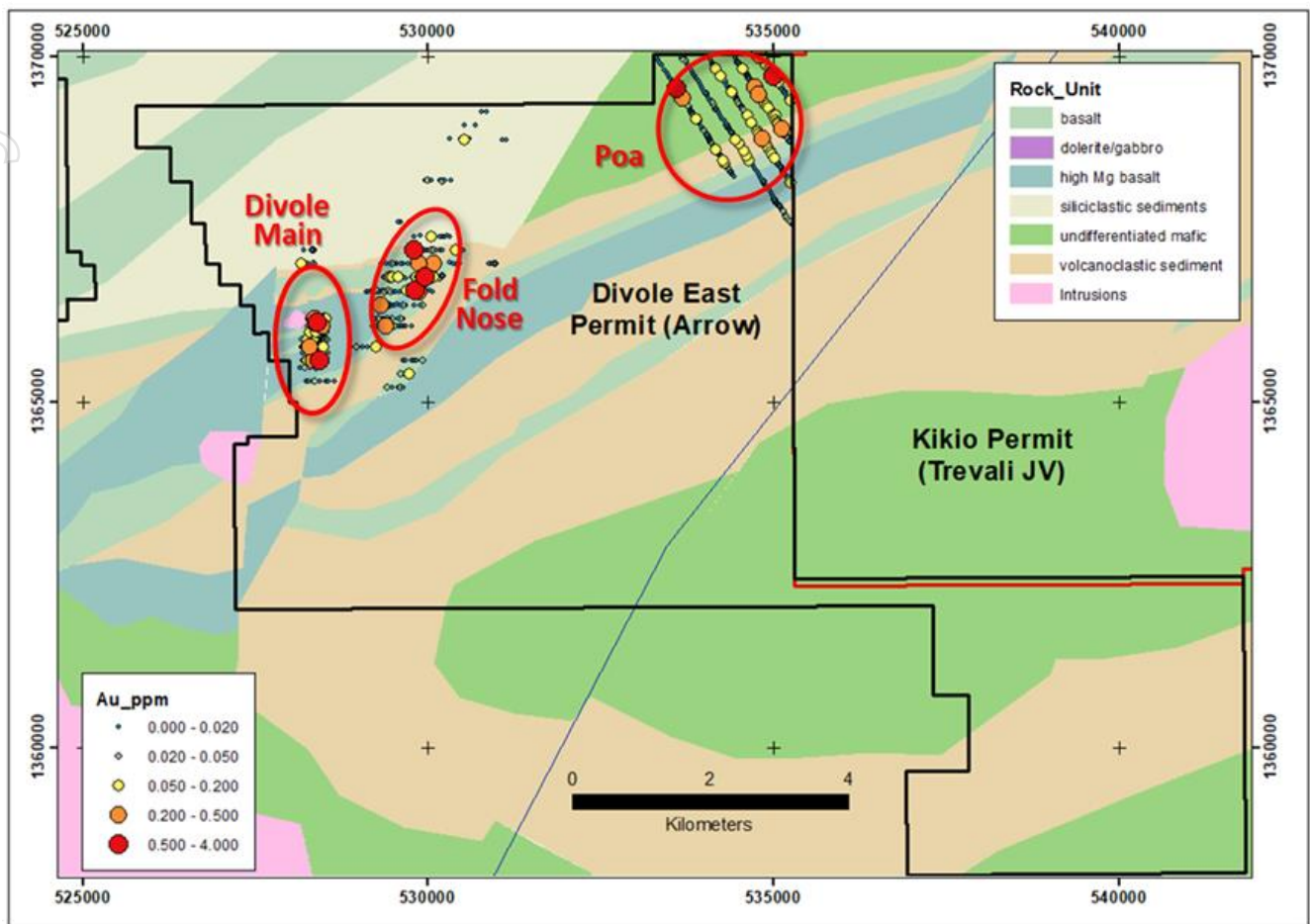


Figure 3: Boromo Belt with Arrow permits, Trevali permits, and targets for 2021

Hounde South Joint Venture (AMD 100%, Fortuna earning in to 70%)

Fortuna Silver Mines Inc., (TSX: FVI), formerly Roxgold Inc. (TSX: ROXG), continued work as part of the earn-in agreement on the Hounde South JV project. During the June quarter work included an ongoing auger geochemical sampling program for target generation. The auger program is approximately 45% complete (11,477m) with activity continuing into the next quarter ahead of the start to the rainy season (*Figure 4*).

Fortuna also completed an airborne geophysical survey during the quarter. The data acquired from this geophysical survey will be processed in the coming months.

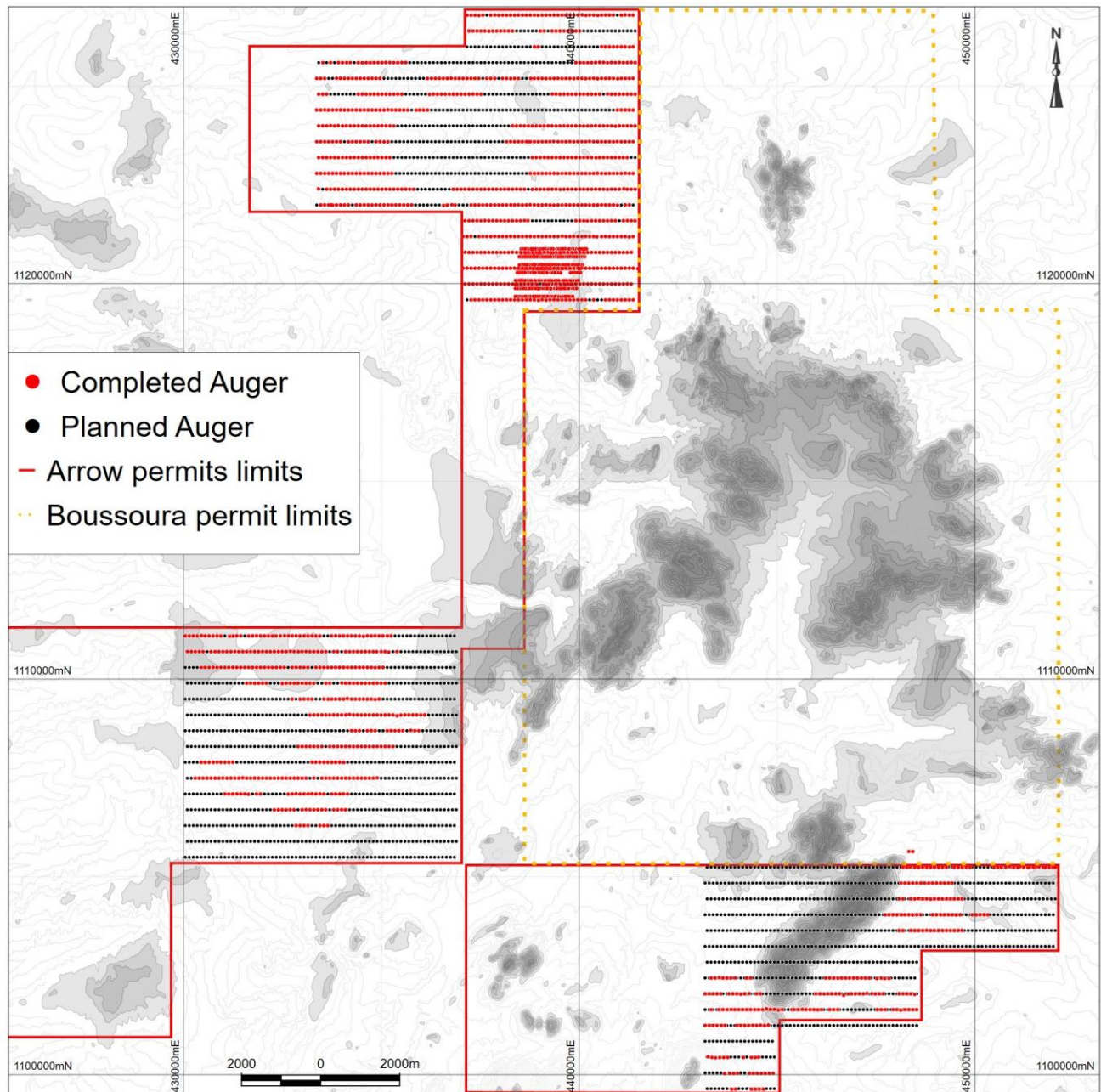


Figure 4: Arrow-Fortuna Hounde South JV with auger sampling progress

STRICKLAND PROJECT, WESTERN AUSTRALIA

Arrow completed an RC drilling programme on five high quality coincident geochemical/geophysical anomalies at its Strickland project in Western Australia (**Figure 5**), having commenced the programme in April 2021⁴. All targets exhibit highly anomalous geochemistry and EM signatures typical of volcanogenic massive sulphide (VMS) copper-gold deposits such as the Golden Grove deposit also in Western Australia. Results are expected shortly, having been delayed by slow turnaround times at geochemical laboratories in Western Australia.

⁴ AMD ASX Announcement 30 March 2021 – Copper-Gold Drilling to Commence at Strickland

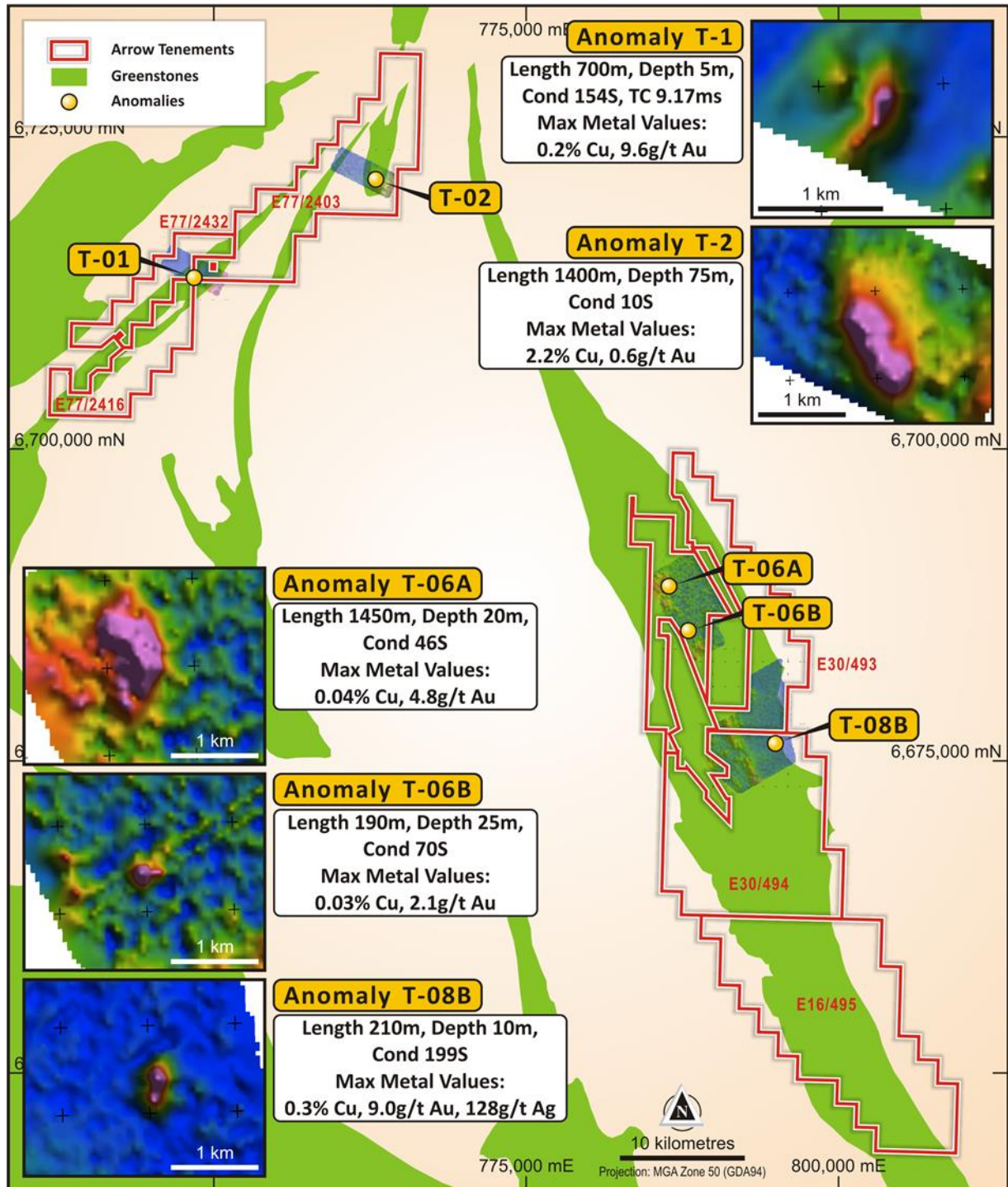


Figure 5: Strickland targets showing SkyTEM electromagnetic anomalies (Z channel 40)

CORPORATE AND FINANCIAL

Fund Raising for \$3.0m

As announced 4 May 2021, Arrow received commitments from sophisticated investors to raise \$3,000,000 pursuant to a placement of 500,000,000 fully paid ordinary shares in the Company (**Shares**) at an issue price of 0.6 cents per Share (**Placement**) to be completed in two tranches as follows:

- **Tranche 1** – 33,095,440 Shares which were issued 11 May 2021; and
- **Tranche 2** – 166,904,560 Shares which were issued 25 June 2021 following receipt of Shareholder approval at the Company's General Meeting held in June.

Proceeds from the Placement will enable Arrow to execute an aggressive gold exploration program to unlock the potential in its highly prospective tenure, including as follows:

- Divole West - Further drilling (commencing Q3 2021) to increase size of existing deposit along the 3 km long mineralised corridor;
- Divole East - Follow up of significant soil and auger geochemical anomalism with auger and RC drilling (Q2 2021);
- Dyapya - Follow up of soil geochemical anomalies using auger and RC drilling (Q3 2021);
- Trevali JV permits - regional - stream sediment sampling programme to define targets for drill testing (Q2 2021);
- Trevali JV Permits - project scale - RC drilling and auger (Q2 2021) to expand known high-grade mineralisation and define continuity where historical drilling has encountered gold mineralisation; and
- General working capital purposes.

General Meeting

The Company held a general meeting of shareholders on 22 June 2021 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 30 June 2021 Arrow had \$3.28m 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 June 2021 quarter totalled \$532,000. This amount is included at Item 2.1(d) of the Appendix 5B and includes \$232,000 on drilling activities, \$44,000 on airborne surveys, \$20,000 on surface geophysical surveys (EM), \$86,000 on geological consultants and employee costs, \$18,000 on soil sampling, \$45,000 on tenement rents and management; \$6,000 on land access and native title related costs; \$50,000 on field and camp costs, and \$31,000 other costs. 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 \$101,709. The Company advises that \$91,493 of this relates to Directors fees. An amount of \$7,967 was paid to Mitchell River Group (a director-related party of Dr Frazer Tabeart) for data analysis. An amount of \$2,250 was paid to GenGold Resource Capital Pty Ltd (a director-related party of Mr Tommy McKeith) for rental of geochemical equipment. These amounts are included at Item 6 of the Appendix 5B.

Capital Structure

During the quarter, movements in securities were as follows:

- 500,000,000 shares were issued pursuant to the Placement

The capital structure of Arrow at 30 June 2021 is set out below:

Quoted Securities

Ordinary shares on issue (ASX:AMD)	1,832,381,760
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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	2,850,000
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

Change of Registered Address

On 4 June 2021, the Company's registered address changed to:

Arrow Minerals Limited
Suite 5, 63 Hay Street
Subiaco, WA 6008

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 30 June 2021

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	Surrendered	100%	(100%)	-
E09/2198	Surrendered	100%	(100%)	-
E09/2283	Granted	100%	-	100%

Appendix B – Schedule of Burkina Faso Tenements as at 30 June 2021

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%
Boulssa				
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")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(112)	(343)
	(e) administration and corporate costs	(259)	(934)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	(20)	(115)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material):		
	- Rental bond refunded	20	20
	- Rental bond paid	(6)	(6)
1.9	Net cash from / (used in) operating activities	(377)	(1,377)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4)	(66)
	(d) exploration & evaluation	(532)	(2,098)
	(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 (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	44
	(c) property, plant and equipment	-	-
	(d) investments	15	719
	(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	(521)	(1,401)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,000	3,824
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	(57)	(201)
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	2,943	4,623

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,238	1,444
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(377)	(1,377)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(521)	(1,401)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,943	4,623

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	1	(5)
4.6	Cash and cash equivalents at end of period	3,284	3,284

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	3,288	1,239
5.2	Call deposits	-	-
5.3	Bank overdrafts – credit card	(7)	(1)
5.4	Other (provide details) – cash on hand	3	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,284	1,238

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	91
6.2	Aggregate amount of payments to related parties and their associates included in item 2	10
<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 \$78k to other directors on payroll.</p> <p>Item 2.1 (d) includes \$8k to Mitchell River Group, a related party of Dr Frazer Tabeart and \$2k to Gengold Resources (Pty) Ltd, a related party of Thomas McKeith. 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. 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)	(377)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(532)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(910)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,284
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,284
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.6
<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: <i>Not applicable</i>		
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: <i>Not applicable</i>		
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: <i>Not applicable</i>		
<i>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.</i>		

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: 30 July 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.