



**ARROW
MINERALS**

(ABN 49 112 609 846)

AND CONTROLLED ENTITIES

**ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021**

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CORPORATE DIRECTORY

DIRECTORS

Dr Frazer Tabcart	Non-Executive Chairman
Mr Howard Golden	Managing Director
Mr Hugh Bresser	Executive Director
Mr Tommy McKeith	Non-Executive Director

COMPANY SECRETARY

Ms Catherine Grant-Edwards
Ms Melissa Chapman

PRINCIPAL & REGISTERED OFFICE

Suite 5, 63 Hay Street
Subiaco WA 6008
Telephone (08) 9383 3330
Email info@arrowminerals.com.au

AUDITORS

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

BANKERS

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

SHARE REGISTRY

Advanced Share Registry Service
150 Stirling Highway
Nedlands WA 6009

STOCK EXCHANGE LISTING

Arrow Minerals Limited shares (**AMD**) are listed on the Australian Securities Exchange (**ASX**)

Chairman's Letter

Dear Shareholder,

On behalf of your Directors, I am pleased to present Arrow Minerals Limited's (**Arrow** or the **Company**) (ASX:AMD) Annual Report and Financial Statements for 2021.

As the world continued to grapple with the challenges presented by the COVID-19 pandemic, Arrow took appropriate measures to protect its people whilst advancing its projects. In doing so the Company has delivered excellent results and maintained a stable, healthy workforce.

The past year has been transformative, with Arrow entering into several commercial agreements to acquire access to high-quality exploration permits, divesting non-core assets whilst retaining value options and growing the technical capability of the team. The Company is positioned well for an exciting year ahead, as it builds on its ongoing discovery success in Burkina Faso. Arrow now has access to over 1,200km² of contiguous exploration ground in the highly prospective gold-rich Paleoproterozoic Boromo belt, an area we now refer to as the Vranso Project. The Company will also benefit from exposure to upside on its three joint ventures – the Arrow-Fortuna Silver JV in Burkina Faso, the 1% NSR carried on its Western Australian Plumridge nickel JV with IGO, and the recently signed farm-out agreement with Electrostate on the Malinda Lithium project in Western Australia.

Within the Vranso Project, exploration focussed on the Divole East and West permits. Arrow made a new discovery at Dassa on the Divole West permit. The Dassa Gold deposit sits within a 5km long zone of highly anomalous gold in soil and auger sampling, the full extent of which remains to be tested. Further auger and RC drilling continues to expand the known footprint of this exciting discovery that remains open along strike, down-dip and at depth.

Exploration drilling was also conducted on the Divole East Permit, with 2,385m of RC drilling completed at the new Poa prospect, identifying gold mineralisation that extended the Divole East mineralised corridor to a strike-length of 7.5 km.

In Western Australia, at the Company's 100% owned Strickland project, seven drill holes were completed to test airborne geophysical anomalies. Downhole geophysical surveys identified an off-hole downhole electromagnetic anomaly in one of those holes that sits beneath the completed drilling and corresponds with a thick and highly anomalous copper intersection in nearby drilling.

At the Plumridge Nickel Project, Arrow opted to convert its contributing 10% to a 1% NSR. This will enable Arrow to focus its resources on its high-quality precious and base metals projects while retaining exposure to any IGO success at Plumridge.

The Board and management team was bolstered during the year by the appointment of Hugh Bresser as Technical Director. Hugh brings a great breadth and depth of highly relevant experience to the Company and will serve you well on the board and as a hands-on technical expert. I wish to extend a warm welcome to Hugh and look forward to his contribution as we move forward.

The work completed over the past twelve months has allowed Arrow to gain value from its non-core assets and paved the way to add to its gold discoveries in Burkina Faso. Arrow's solid financial position enables the Company to organically grow the Burkina Faso gold inventory through ongoing discovery success as well as follow up on the positive results at Strickland. The Board therefore expect the coming year to deliver focussed growth for Arrow.

On behalf of the entire Board, I would like to thank you, the Company's shareholders, for your continued support and I look forward to reporting on sustained growth during the next 12 months.



Dr Frazer Tabeart

Non-Executive Chairman

DIRECTORS' REPORT

The Directors of Arrow Minerals Limited (**Arrow** or the **Company**) submit their report, together with the consolidated financial statements comprising Arrow and its controlled entities (together the **Group**) for the year ended 30 June 2021.

INFORMATION ON DIRECTORS

The names and particulars of the Directors of the Company during or since the end of the year are as follows. Directors have been in office since the start of the year to the date of this report unless otherwise stated.

Frazer Tabeart

Non-Executive Chairman

Experience

Dr Frazer Tabeart is a graduate of the Royal School of Mines with a PhD and Honours in Mining Geology. He has over 30 years' experience in international exploration and mining projects, including 16 years with WMC Resources and 16 years with the Mitchell River Group of Companies. Dr Tabeart is a member of the Australian Institute of Geoscientists and a member of the Society of Economic Geologists.

Directorships of listed companies held within the last three years

African Energy Resources Limited	November 2007 to present
PolarX Ltd	July 2017 to present

Howard Golden

Managing Director

Experience

Mr Golden is geophysicist with over 35 years' experience in exploration across six continents, including significant operating experience throughout West Africa. He has held senior roles with Nordgold, Rio Tinto, BHP and WMC, including discovery teams at Syama, Oyu Tolgoi, Agbaou and West Musgrave deposits.

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

Directorships of listed companies held within the last three years

NV Gold Corporation (TSX.V:NVX)	June 2021 to present
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Hugh Bresser

Executive Director

Experience

Mr Bresser was appointed as Executive Director on 5 July 2021 and serves in the role of Technical Director. He has a career in exploration spanning more than 25 years. He has served in executive roles with Billiton, BHP Billiton and Birimian Ltd and has previously held board positions in several listed companies.

Mr Bresser has significant experience in mineral exploration, executive management, mergers and acquisitions, governance, government and community relations in the global resources industry. He holds a BSc (Hons – First Class) in geology from James Cook University and an MBA from Melbourne Business School, Mt Eliza. Mr Bresser is a Member of the AusIMM and AIG.

Directorships of listed
companies held within the last
three years

None

Thomas McKeith

Non-Executive Director

Experience

Mr McKeith is a geologist with over 30 years' experience in exploration, development and mining. He was formerly Head of Growth for Gold Fields Ltd and CEO of Troy Resources. Thomas led teams that discovered and developed several significant discoveries (near mine and greenfields) in Australia, Mali, Ghana, Peru and Chile. He has been instrumental in several major operating mine and resource project acquisitions in Australia, Canada, Brazil, Venezuela and Burkina Faso. He is also a Fellow of the Australian Institute of Mining and Metallurgy.

Directorships of listed
companies held within the last
three years

Evolution Mining Limited	February 2014 to present
Prodigy Gold NL	June 2016 to present
Genesis Minerals Limited	November 2018 to present

JOINT COMPANY SECRETARY

Ms Grant-Edwards is the co-founder and an Executive Director of Bellatrix Corporate Pty Ltd (**Bellatrix**), a company providing outsourced accounting and company secretarial services. Ms Grant-Edwards has over 15 years' experience in the profession and with ASX/LSE-listed companies, private entities, and has a background in big-four public practice (Ernst & Young). Ms Grant-Edwards holds a Bachelor of Commerce degree (UWA) majoring in Accounting and Finance and is a qualified Chartered Accountant (CAANZ). Ms Chapman is the co-founder and an Executive Director of Bellatrix. Ms Chapman has over 20 years' experience in the accounting and company secretarial profession, and has worked in Perth and London across a diverse range ASX/LSE listed companies, private entities and working with high net worth individuals. Ms Chapman holds a Bachelor of Commerce from Murdoch University, majoring in Accounting, and is a qualified Certified Practising Accountant with CPA Australia. She has also completed a Graduate Diploma of Corporate Governance with the Governance Institute of Australia and a Company Directors Course.

REVIEW OF OPERATIONS

Summary

The Company announced a final agreement for an exploration joint venture with Trevali Mining Corporation in Burkina Faso that increases the Group's access to exploration ground by 400% in the highly productive Boromo Greenstone Belt that hosts several large gold deposits. On the Arrow Group's 100% owned permits, two programmes of reverse circulation (RC) drilling were completed at the Dassa gold discovery as well as drilling at the new Poa prospect on the Divole East permit. Mapping, soil sampling and auger sampling continued on the Burkina Faso permits as well. Also in Burkina Faso, a final agreement was signed Fortuna Silver Mines Inc. (formerly Roxgold) of Canada to advance the Hounde South gold project.

At the Strickland project in Western Australia, 100% held by Arrow, copper-gold volcanogenic massive sulphide (VMS) targets were defined and advanced and have undergone first-pass drill testing. The results yielded an off-hole downhole electromagnetic conductor corresponding with highly anomalous Cu over a 20m thickness. The conductor is considered a high-quality target and is being assessed to determine the most effective methodology for follow-up. On the Arrow-IGO JV project, Plumridge Nickel in the Fraser Range of WA, Arrow converted of its 10% contributing interest in the joint venture project to a 1% NSR royalty. Also in Australia, Arrow signed a farm-out agreement with Electrostate Pty Ltd on the Malinda Lithium project in the Gascoyne region wherein Electrostate will rapidly advance the project and allow Arrow to maintain an interest in production of lithium on the project.

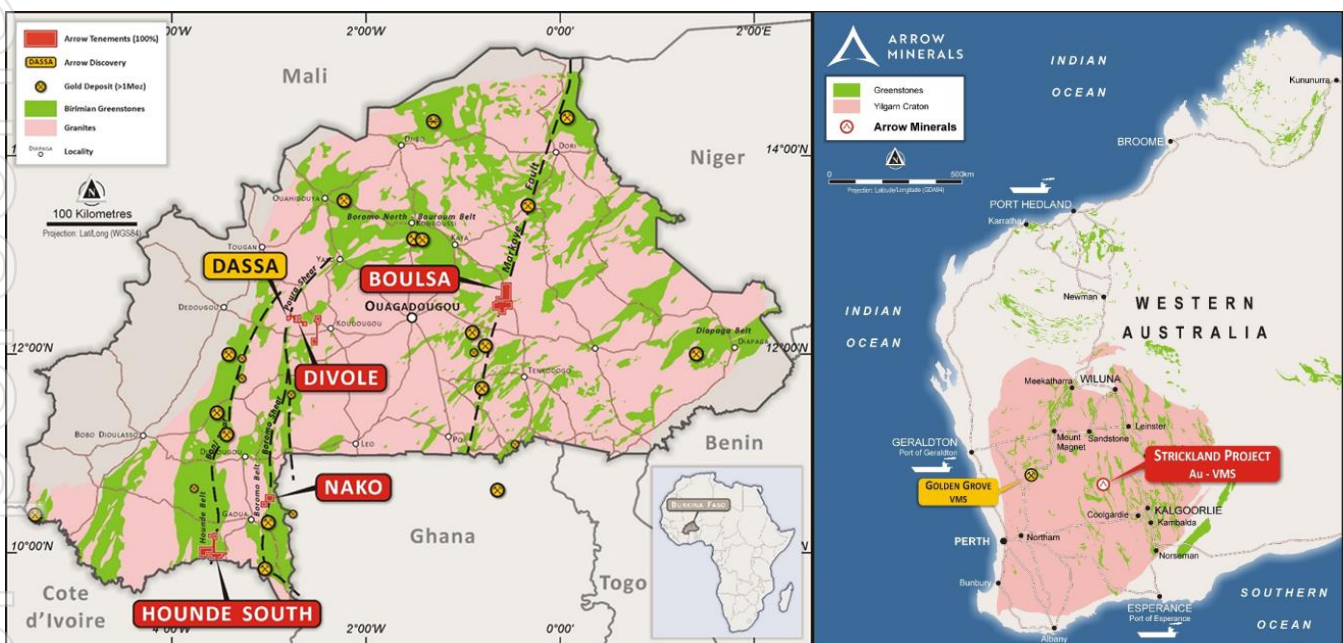


Figure 1: Location maps of Burkina Faso projects and the Strickland project, Western Australia

BURKINA FASO

Trevali Joint Venture

Further to its ASX Announcement dated 22 August 2021, Arrow and Trevali Mining Corporation (TSX: TV) (Trevali) have executed the formal Exploration Joint Venture Agreement (Agreement) in relation to the exploration permits held by both companies in Burkina Faso covering the highly prospective Boromo gold belt. The Agreement covers eight exploration licences – Kikio, Kordie, Pilimpikou, Semapoun, and Vileo (100% Trevali); and Divole East, Divole West and Dyapya (100% Arrow) as shown in **Figure 2** and **Figure 3**.

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 belt hosts the Poura, Batie West and Bissa gold mines along a highly favourable structural corridor and is a transformational arrangement that gives Arrow access to a highly prospective and significant section of the Boromo greenstone belt. The Agreement provides 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.

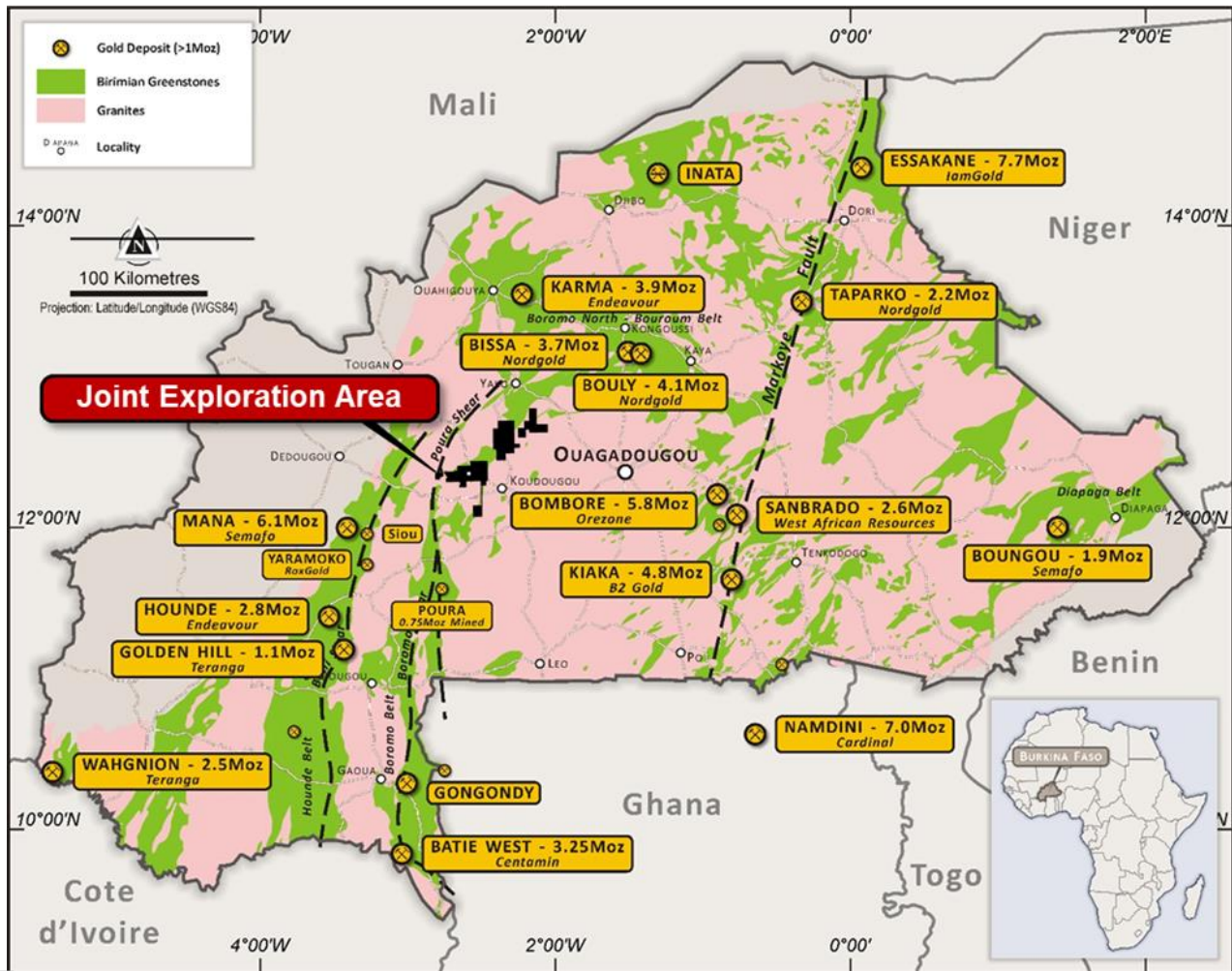


Figure 2: Arrow-Trevali Joint Exploration Permit Area

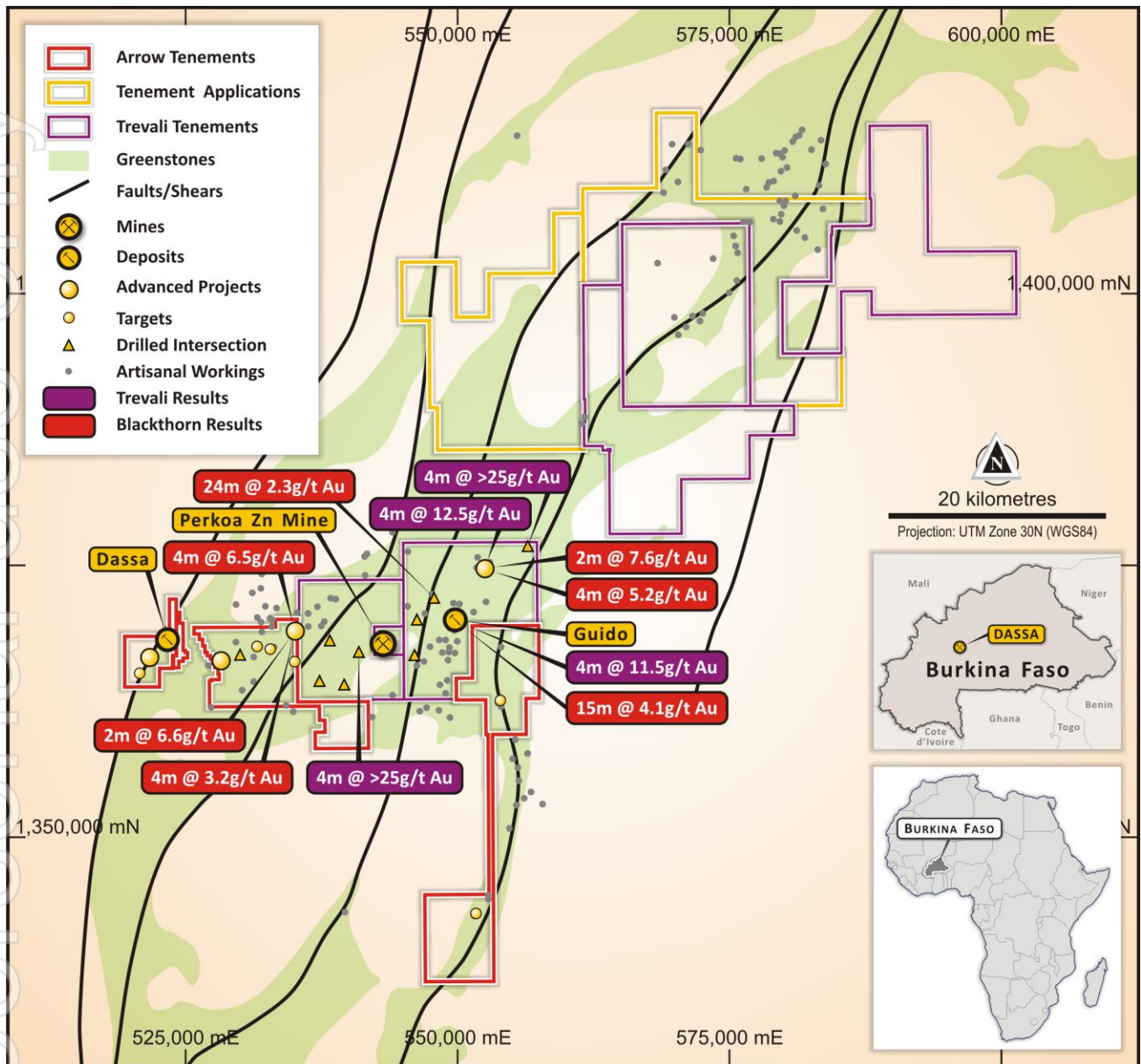


Figure 3: Boromo Belt with Arrow permits, Trevali permits, and selected targets for 2021

Divole West Permit - Dassa Deposit

Arrow reported results from two successful reverse circulation (RC) drilling programmes (**Figure 4**) at the 100% Arrow-owned Dassa gold deposit on the Divole West exploration permit in Burkina Faso (see ASX announcement on 4 March 2021). The drilling, 2,215m of RC drilling in July and August 2020 followed by 4,003m of RC drilling in late December 2020 through early February 2021, expanded the gold mineralisation to a strike length of more than 900m. The shallow, mostly oxide-hosted gold mineralisation is continuous along strike and from surface to a depth of more than 150m.

The drilling was designed to confirm the continuity of gold mineralisation between existing widely spaced drilling profiles as well as to extend the known mineralisation from previous RC drilling at Dassa.

The Company has now completed a total of 12,672m of RC drilling on the Divole West, which has resulted in the discovery of continuous gold mineralisation in two zones at Dassa (see ASX announcement on 25 September 2020). The most recent programme focussed on the northern Dassa zone that extends for more than 900m along strike and is open to the north, south and down-dip.

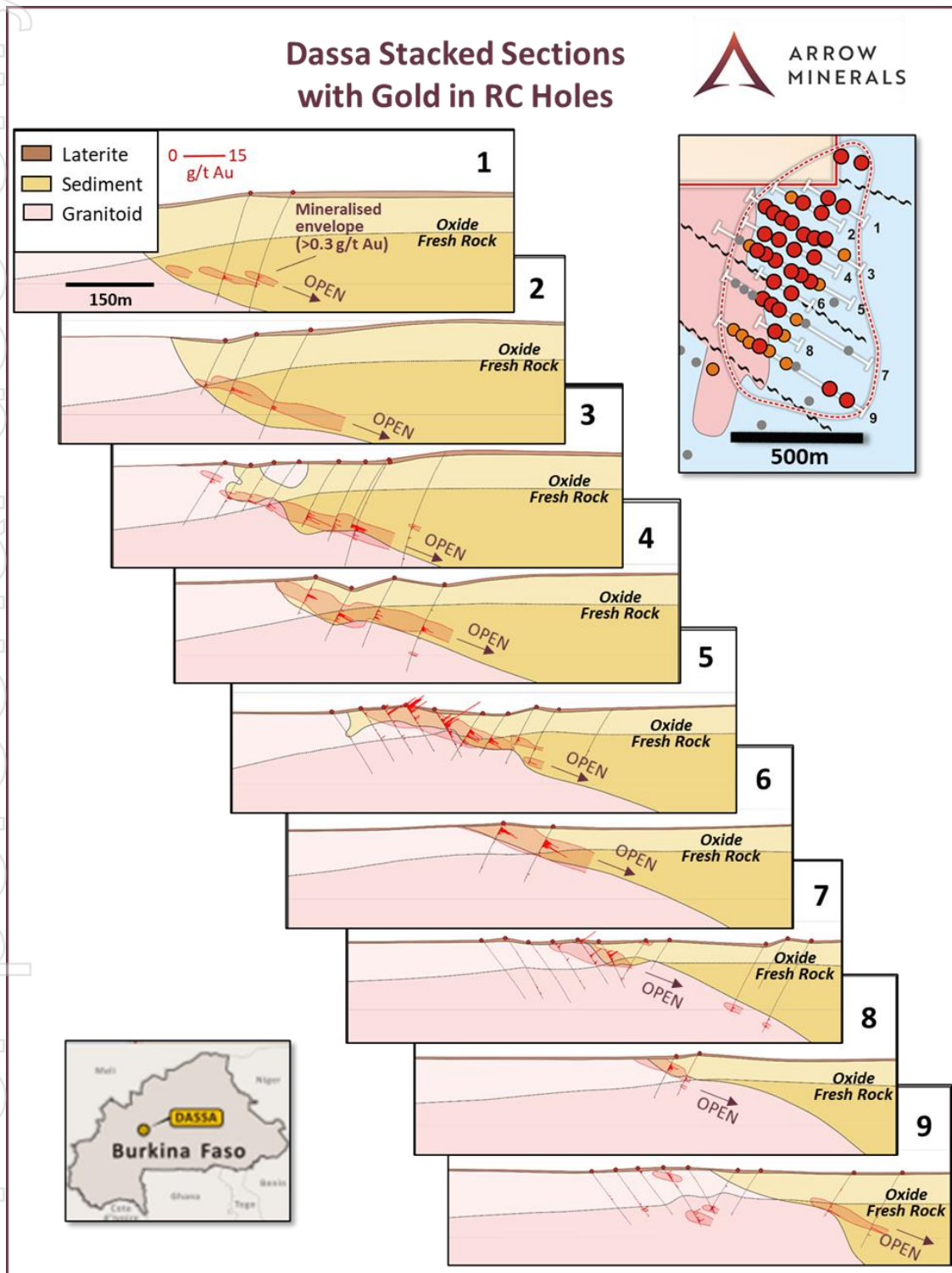


Figure 4: Dassa stacked sections showing continuity of gold-bearing zones and the potential for further mineralisation down-dip to the east

Divole East Permit – Poa Prospect

Arrow completed a 2,058m RC drilling programme at the recently defined Poa prospect on the Divole East exploration permit in Burkina Faso. The drilling identified an extensive gold mineralised system in wide spaced drilling at the prospect. The Poa Prospect is located 5km northeast of the Main and Fold Nose prospects where Arrow has already discovered significant gold mineralisation including 17m @ 1.2g/t Au, 3m @ 3.7g/t Au and 5m @ 1.4g/t Au following up Boromo results of 10m @ 4.3g/t Au, 8m @ 1.7g/t Au and 10m @ 1.2g/t Au on the Divole East permit (**Figure 5**).

At the Poa prospect 17 drillholes were completed to test beneath multiple shallow geochemical anomalies. Results from 13 of these drillholes intersected broad zones of gold associated with structurally controlled quartz veins in a 1,000m x 500m area (Figure 2).

Several significant high-grade gold results were received including:

- 9.9g/t Au over 1m within 3m @ 3.5g/t Au from 57m (DERC21037)
- 4.4g/t Au over 2m within 10m @ 1.3g/t Au from 43m (DERC21036)
- 2.5g/t Au over 2m within 3m @ 1.8g/t Au from 38m (DERC21028)
- 3.6g/t Au over 1m within 2m @ 2.1g/t Au from 111m (DERC21037), and
- 4.5g/t Au over 1m from 16m (DERC21025)

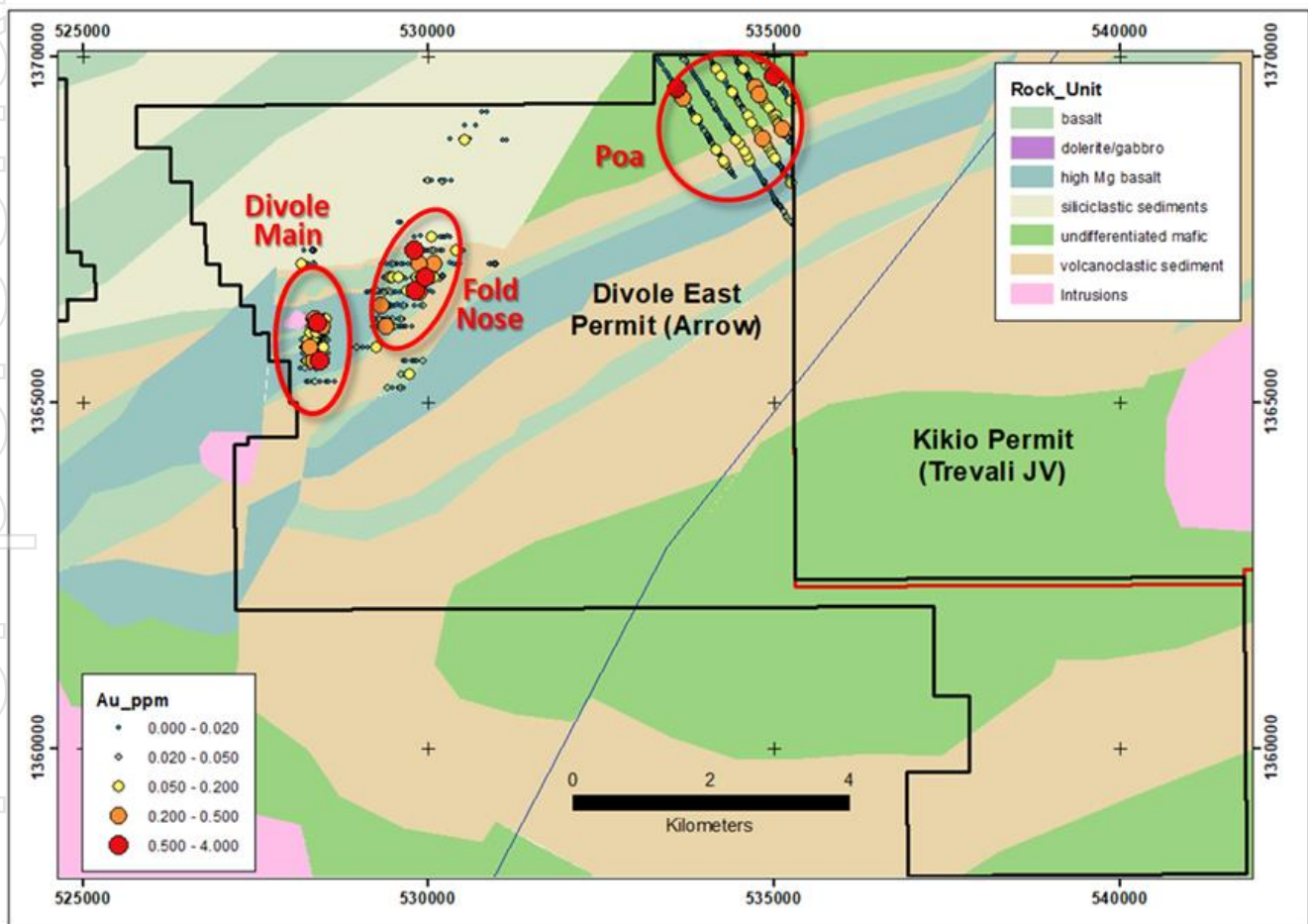


Figure 5: Boromo Belt with Arrow permits, Trevali permits, and targets for 2021

The latest outcomes from Poa define an expansive gold mineralised system extending over 7.5km from the previously defined Divole Main and Fold Nose and remaining open in all directions, as shown in **Figure 6**.

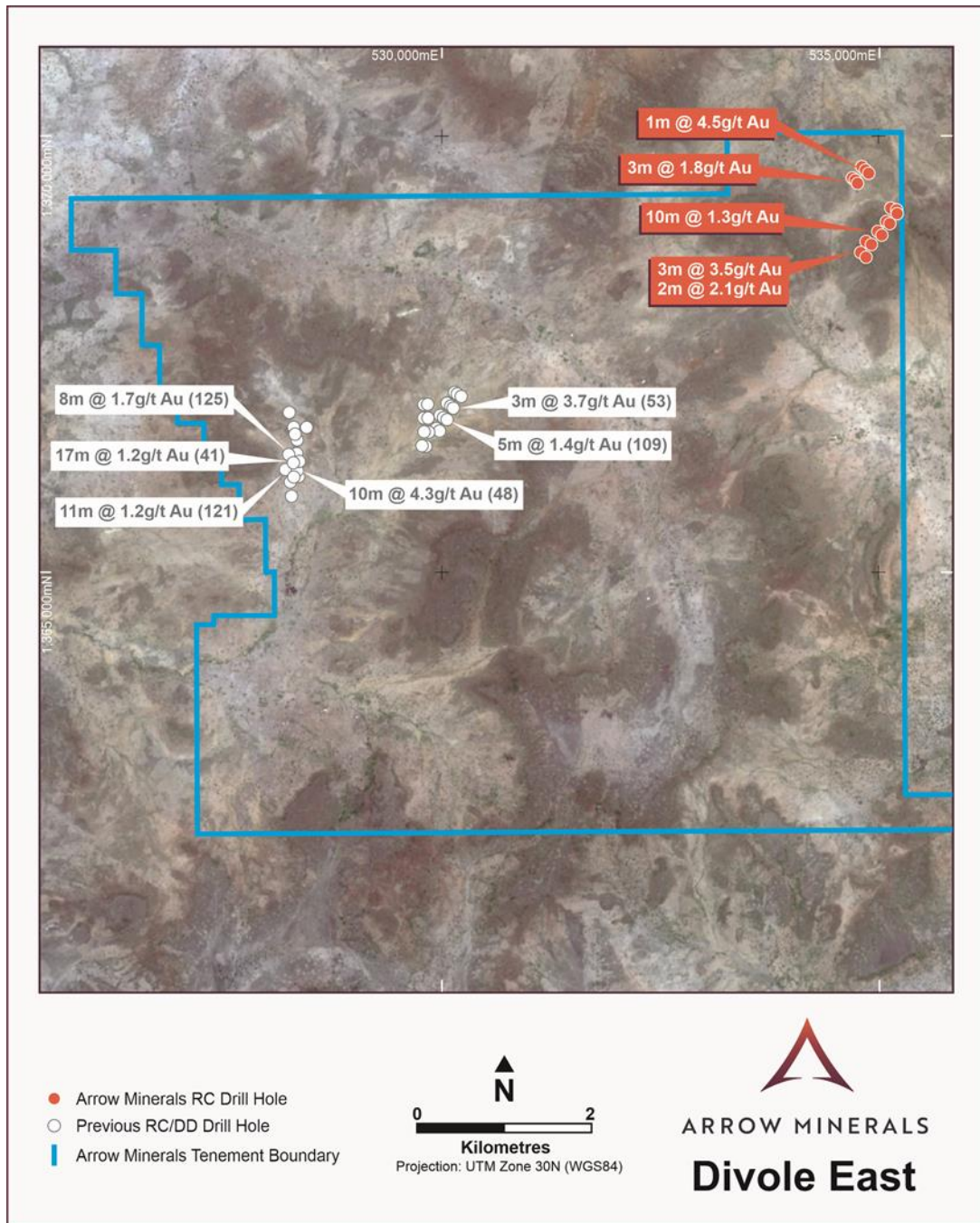


Figure 6: Satellite image of Arrow's Divole East Permit showing drillhole collar locations and significant gold intercepts

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

An Earn-in Agreement with Fortuna Silver Mines Inc., (TSX: FVI), formerly Roxgold Inc. (TSX: ROXG), on the Houde South permits in Burkina Faso was executed on 7 August 2020 (commencement of the earn-in period). Fortuna can earn a 70% interest in Arrow's Houde South Project (Project) after exploration expenditure of up to US\$1 million (~A\$1.4 million) in two stages over four years. The Project consists of two exploration licences (the Fofora and Konkaira permits) adjacent to Fortuna's Boussoura permit in southwest Burkina Faso (see **Figure 7**).

Fortuna continued work as part of the earn-in agreement on the Houde South JV project. 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 8**). Fortuna also completed an airborne geophysical survey during the quarter. The data acquired from this geophysical survey will be processed in the coming months.

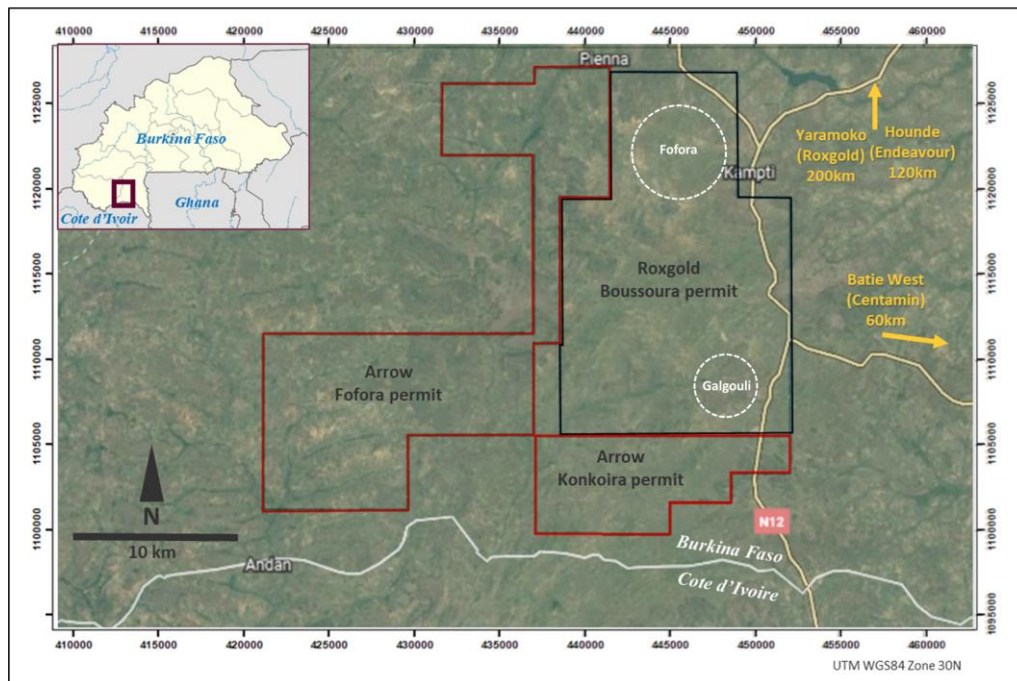


Figure 7: Arrow JV and Fortuna tenement locations

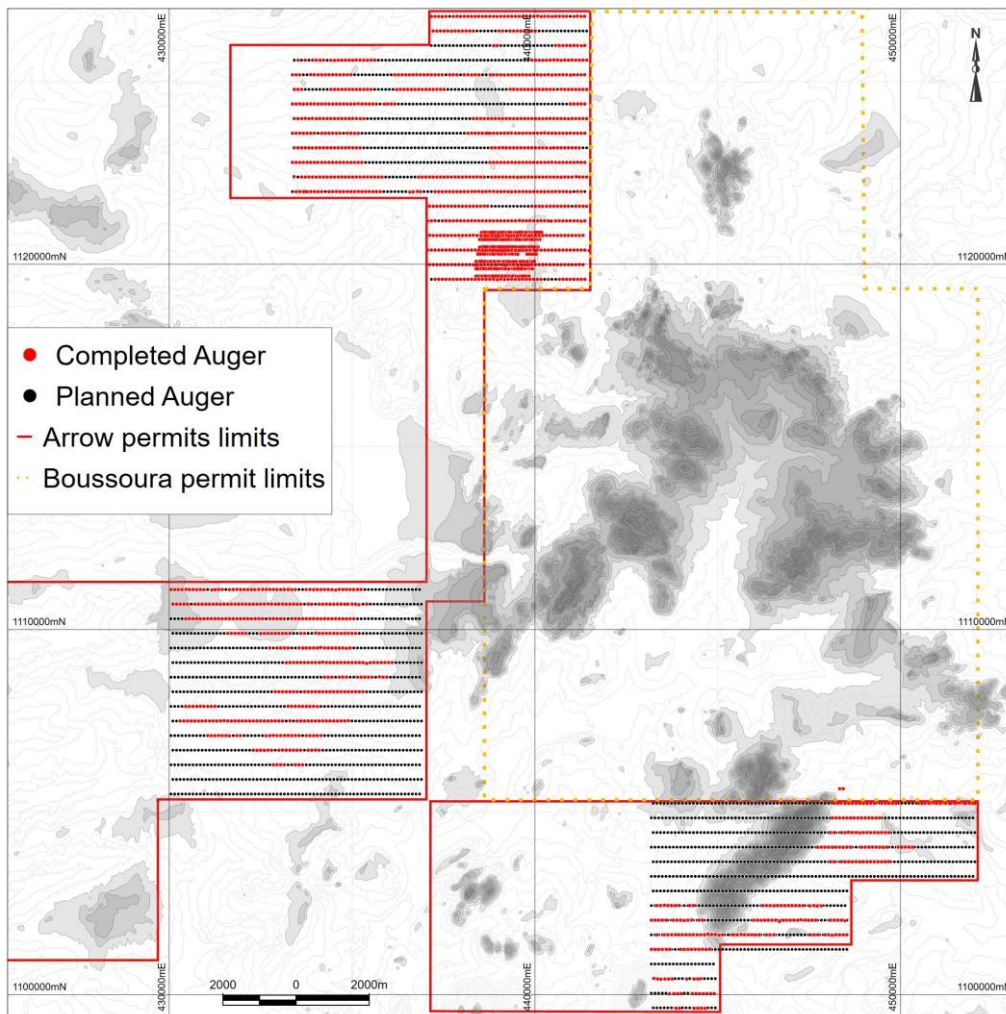


Figure 8: Arrow-Fortuna Hounde South JV with auger sampling progress

AUSTRALIA

Strickland Project, Western Australia

The Company completed a helicopter-borne SkyTEM electromagnetic survey at the Strickland copper-gold project in late September 2020 and identified seven significant conductivity anomalies as shown in **Figure 9**. 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. Arrow subsequently completed an RC drilling programme on the five highest-quality coincident geochemical/geophysical anomalies at Strickland, commencing April 2021¹. The drilling was followed up by downhole electromagnetic (DHEM) surveys to test for conductive sources that may have been missed by drilling.

¹ AMD ASX Announcement 30 March 2021 – Copper-Gold Drilling to Commence at Strickland

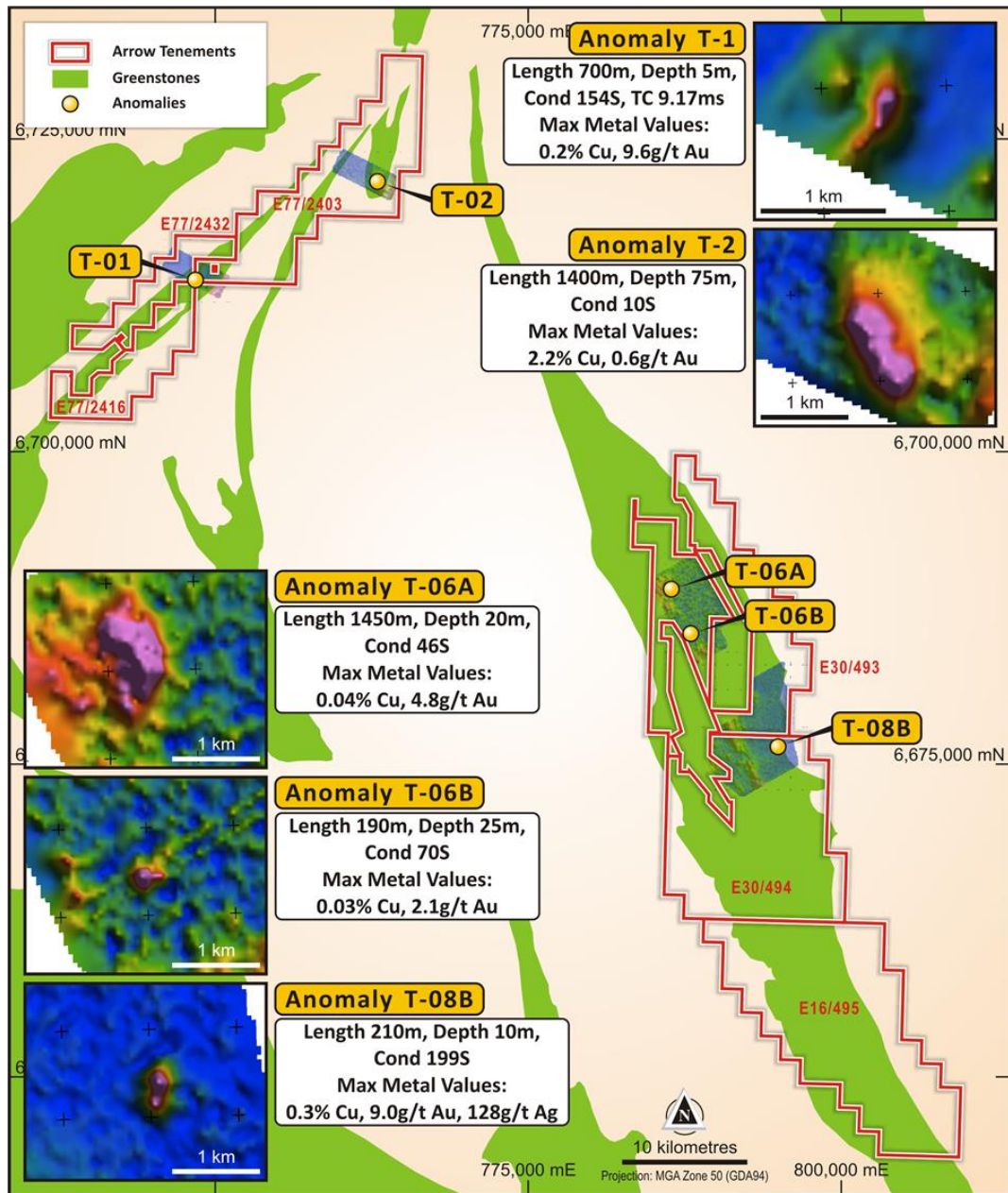


Figure 9: Strickland targets showing SkyTEM electromagnetic anomalies (Z channel 40)

At drillhole STKV009 the DHEM survey confirmed the presence of two distinct zones of conductance coincident with the original airborne EM target (**Figure 10**). The first, Plate 1, 50m long and 50m wide with a conductance of 150 Siemens. The second, Plate 2, 300m long and 100m wide, with a conductance of 1000 Siemens (**Figure 11**). Assay results returned from samples collected at STKV009 highlighted a zone of elevated copper, 20m at 0.22% Cu, from 120m downhole. The anomalous copper zone is in close association with the modelled DHEM conductor Plate 1 (Figure 11). This confirms the conductance response is related to copper sulphides.

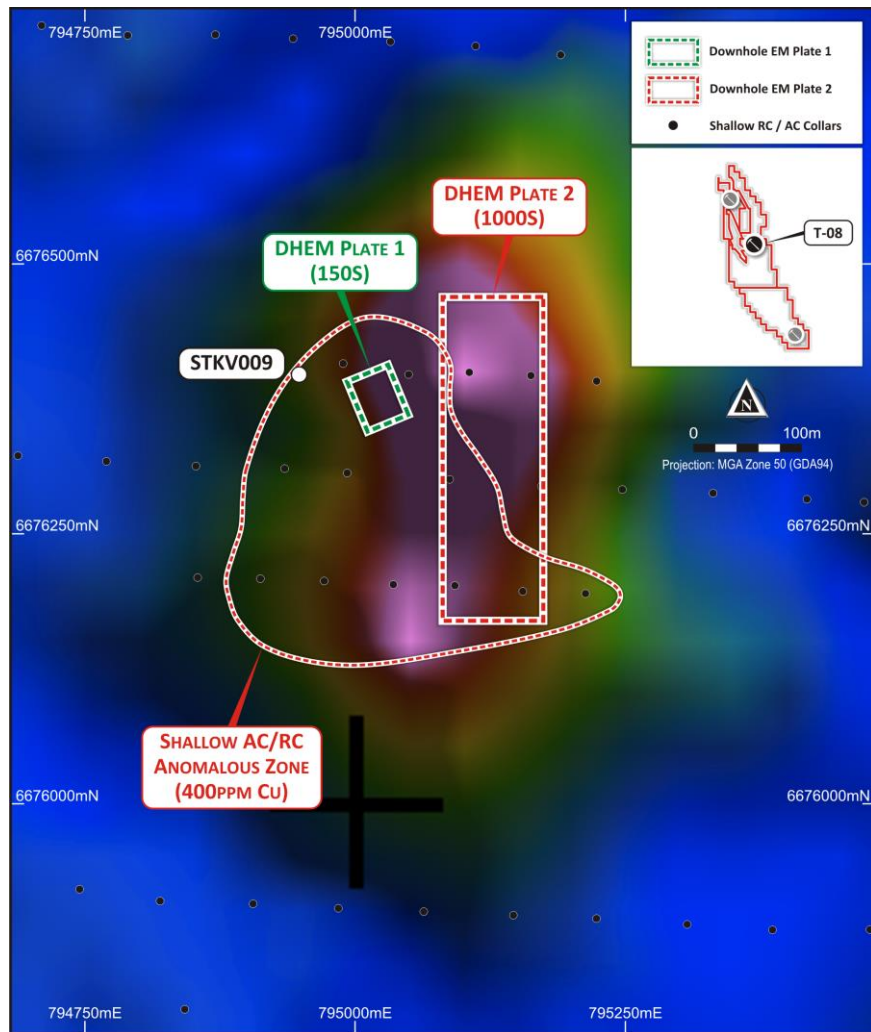


Figure 10: Map showing coincident spatial relationship between SkyTEM dB/dt Z channel 40 anomaly T-08B, DHEM Plates 1 & 2 and 0.04% Cu geochemical anomalous zone.

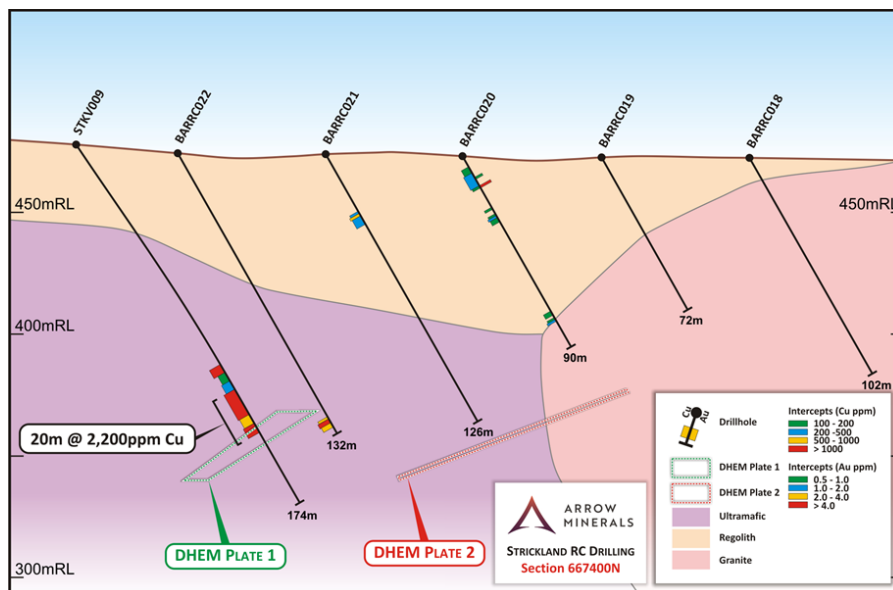


Figure 11: East-West cross section looking north at 6676400N showing location of DHEM Plate 1, Plate 2 and zones of anomalous copper and gold intersected in drilling.

Plumridge Nickel Project (AMD 10%, IGO Limited 90%)

In March 2021 Arrow notified IGO of its conversion of its 10% contributing interest in the Plumridge nickel joint venture project to a 1% NSR royalty.

Malinda Lithium Project ((AMD 100%, Electrostate earning in to 85%))

Arrow signed a binding term sheet (**Agreement**) that sets out terms for an earn-in agreement with Electrostate Pty Ltd (**Electrostate**) wherein Electrostate may earn up to 85% of Arrow's Malinda lithium project in Western Australia².

The Agreement covers three exploration tenements, E09/2169, E09/2170 and E09/2283 in the Gascoyne region of north-western WA. The Agreement provides for Electrostate to perform exploration activities on the tenements over an eighteen-month period in addition to cash payments to Arrow. Under the Agreement Electrostate will be motivated to aggressively explore the Malinda lithium tenements while Arrow focusses on its high-quality gold and base metals assets.

Competent Persons Statement

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

CORPORATE

The following significant transactions and events occurred during the year:

Fund Raising Activities

As announced 16 June 2020, Arrow received commitments from sophisticated investors to raise \$2,200,000 pursuant to a placement of up to 366,666,666 fully paid ordinary shares in the Company (**Shares**) at an issue price of 0.6 cents per Share (**Placement A**). Placement A was completed in two tranches as follows:

- Tranche 1 - 229,363,148 Shares which were issued on 24 June 2020; and
- Tranche 2 - 137,303,518 Shares were issued on 27 August 2020 (following receipt of Shareholder approval at the Company's General Meeting held on 19 August 2020).

Additionally, Arrow undertook an issue of unlisted convertible notes (**Convertible Notes**) to raise \$1,000,000. The Convertible Notes bear interest at 8% p.a. and have a maturity date of 15 June 2024 (refer Annexure 1 of the ASX Announcement dated 16 June 2020 for key terms and conditions). Shareholder approval for the issue of the Convertible Notes was obtained at the Company's General Meeting held on 19 August 2020). The Convertible Notes were issued on 26 August 2020.

² AMD ASX Announcement 23 August 2021 – Arrow Inks Agreement to Advance Malinda Lithium

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

- Tranche 1 – 333,095,440 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 on 22 June 2021.

Employee Share Plan

During the year, the Company bought back, for no consideration, the following shares which were previously issued under the Company's existing Employee Share Plan (**ESP**):

- 3,081,250 shares (cancelled 17 September 2020); and
- 2,256,250 shares (cancelled 13 January 2021).

Employee Securities Incentive Plan

On 11 December 2020, the Company issued 3,550,000 unlisted options exercisable at 1¢ expiring 11 December 2023 to employees pursuant to the Employee Securities Incentive Plan (**ESIP**). The ESIP was approved by shareholders on 11 November 2019.

Extraordinary General Meetings

The Company held a general meeting of shareholders on 19 August 2020 (**August 2020 EGM**) where all resolutions put to shareholders were decided by way of a poll.

The Company held a general meeting of shareholders on 22 June 2021 (**June 2021 EGM**) where all resolutions put to shareholders were decided by way of a poll.

Annual General Meeting

The Company held its annual general meeting of shareholders on 15 November 2020 (**AGM**) where all resolutions put to shareholders were decided by way of a poll.

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

CHANGES IN CAPITAL STRUCTURE

Movements in the securities of the Company during the year ended 30 June 2021 is summarised as follows:

Shares

During the year, the Company issued the following ordinary shares:

- 137,303,518 shares issued pursuant to Placement A (being Tranche 2 of the Placement A Shares)
- 500,000,000 shares issued pursuant to Placement B (being Tranche 1 and Tranche 2 of the Placement B Shares)

During the year, the following shares were cancelled:

- 3,081,250 shares previously issued under the ESP were bought back for no consideration on 17 September 2020
- 2,256,250 shares previously issued under the ESP were bought back for no consideration on 13 January 2021

Convertible Notes

During the year, the Company issued 1,000,000 Convertible Notes.

Unlisted Options

During the year, the Company issued the following unlisted options:

- 3,550,000 unlisted options with an exercise price of \$0.01 expiring 11 December 2023 were issued to employees pursuant to the ESIP.

On 31 March 2021, a total of 700,000 unlisted options with an exercise price of \$0.01 expiring 11 December 2023 lapsed.

No unlisted options were exercised during the year.

Performance Rights

There were no movements in performance rights during the year.

Shares Released from Escrow

On 26 August 2020, 72,713,550 Shares were released from escrow. These shares, which were issued to the majority vendors of Boromo Gold Ltd (as acquired 26 August 2019), were subject to 12 months escrow pursuant to the share sale agreements entered into by those vendors.

Securities on Issue at Date of this Report

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

Quoted Securities

Ordinary shares on issue (ASX:AMD)	1,826,131,760 ¹
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Unquoted Securities

Options exercisable at 2.0¢ on or before 22/08/2022	120,150,000
Options exercisable at 1.45¢ on or before 22/08/2023	37,500,000
Options exercisable at 1.25¢ on or before 15/10/2022	10,000,000
Options exercisable at 1.00¢ on or before 11/12/2023 ²	2,850,000
Class B Performance Rights subject to performance conditions expiring on 26/08/2022 ³	69,682,290
Class C Performance Rights subject to performance conditions expiring on 26/08/2023 ⁴	69,682,300
Convertible Notes	1,000,000

¹ Includes 13,200,000 shares under restriction pursuant to the ESP

² Pursuant to ESIP

³ Class B Performance Rights Milestone: Announcement by Arrow of a JORC 2012 compliant Inferred, Indicated and Measured Resource collectively of at least 500,000oz of gold located on the Tenements on or before the date that is 3 years after Settlement.

⁴ Class C Performance Rights Milestone: Announcement by Arrow of a JORC 2012 compliant Inferred, Indicated and Measured Resource collectively of at least 1,000,000oz of gold located on the Tenements on or before the date that is 4 years after Settlement.

PRINCIPAL ACTIVITIES

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no changes in the state of affairs of the Group other than those disclosed in the review of operations.

RESULTS OF OPERATIONS

The net loss after tax for the year ended 30 June 2021 was \$2,678,461 (2020: Loss of \$6,993,446).

SUMMARY OF FINANCIAL POSITION

At 30 June 2021, the Group's cash reserves were \$3,283,858 (2020: \$1,485,933). The increase in cash was due to fundraising activities of \$4,668,090 net of costs during the year (2020: \$3,731,045) partially offset by exploration expenditure of \$1,997,126 (2020: \$2,020,275). Net assets of the Group as at 30 June 2021 were \$11,551,110 (2020: \$10,608,580).

ENVIRONMENTAL ISSUES

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

FUTURE DEVELOPMENTS

- The Group continues to explore its gold Projects in Burkina Faso with an emphasis on its flagship Vranso Project and will also advance its copper-gold project in Western Australia; and
- The Group continues to review new project venture opportunities which are consistent with its strategy of discovering economic mineral deposits.

SUBSEQUENT EVENTS

Director Appointment

On 5 July 2021, Mr Hugh Bresser was appointed as an Executive Director and serves the Company in the role of Technical Director.

Malinda Lithium Project

As announced on 23 August 2021, the Company signed a binding term sheet that sets out terms for an earn-in agreement with Electrostate Pty Ltd (**Electrostate**) wherein Electrostate may earn up to 85% of Arrow's Malinda lithium project in Western Australia.

Employee Share Plan

On 30 July 2021, the Company bought back, for no consideration, 6,250,000 shares previously issued under the ESP.

No other matters or circumstances have arisen since 30 June 2021 which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

REMUNERATION REPORT (AUDITED)

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

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

Dr Frazer Tabcart	Non-Executive Chairman
Mr Howard Golden	Managing Director
Mr Thomas McKeith	Non-Executive Director
Ms Jenine Owen	Chief Financial Officer (resigned 31 March 2021)

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

The Board is responsible for compensation policies and practices. The Board, where appropriate, seeks independent advice on remuneration policies and practices, including compensation packages and terms of employment. No independent advice was obtained during the year ended 30 June 2021 to provide recommendations in respect of remuneration.

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

Remuneration

Details of the remuneration of the key management personnel of the Group are set out in the following table. Currently, Directors are responsible for the management of the Group.

30 June 2021	Short-term Benefits Salary & Fees (\$)	Post Employment Benefits (\$)	Long Service Leave (\$)	Equity settled share-based payments (\$)	Total (\$)	Performance- related rem. (%)
H Golden	250,000	23,750	19,231	4,374	297,355	1%
F Tabcart ¹	48,000	-	-	692	48,692	1%
T McKeith	36,000	3,420	-	1,093	40,513	3%
J Owen ²	57,500	5,463	6,893	1,093	70,949	2%
Total	391,500	32,633	26,124	7,252	457,509	2%

¹ Director fees for Dr Frazer Tabcart were paid Geogen Consulting Pty Ltd, a related entity of Dr Frazer Tabcart.

² Ms Owen resigned as Chief Financial Officer on 31 March 2021.

30 June 2020	Short-term Benefits Salary & Fees (\$)	Post Employment Benefits (\$)	Long Service Leave (\$)	Equity settled share-based payments (\$)	Total (\$)	Performance- related rem. (%)
H Golden ¹	191,667	15,833	-	32,866	240,366	14%
S Michael ²	106,667	274,177	40,754	14,789	436,387	3%
F Tabcart ³	36,000	-	-	9,439	45,439	21%
T McKeith ⁴	21,581	2,050	-	8,216	31,847	26%
M Ball ⁵	21,581	2,050	-	8,216	31,847	26%
N Ong ⁶	17,516	-	-	1,223	18,739	7%
M Foy ⁷	17,438	56,617	9,491	6,333	89,879	7%
J Owen	131,000	12,445	-	8,885	152,330	6%
Total	543,450	363,172	50,245	89,967	1,046,834	9%

¹ Includes \$25,000 sign on bonus on 26 August 2019 which was not subject to statutory superannuation.

² The role of managing director performed by Mr Michael was made redundant on 31 August 2019. Salary includes a bona fide redundancy payment of \$258,927 excluding Long Service Leave of \$40,754 paid. Mr Michael served as a Director until his resignation on 5 February 2020. After his resignation as Executive Director, Mr Michael received a further \$15,000 in corporate relations fees, paid to Chasing Summer Pty Ltd, a related entity of Mr Michael.

³ Director fees for Dr Frazer Tabeart were paid Geogen Consulting Pty Ltd, a related entity of Dr Frazer Tabeart.

⁴ Mr McKeith was appointed as a Director on 26 August 2019.

⁵ Mr Ball was appointed as a Director on 26 August 2019 and resigned 31 March 2020.

⁶ Director fees for Mr Nicholas Ong were paid to Minerva Corporate Pty Ltd, a related entity of Mr Nicholas Ong. Salary includes an ex-gratia payment of \$12,000. Mr Ong resigned as a Director on 26 August 2019.

⁷ The role performed by Mr Foy was made redundant on 31 August 2019. Salary includes a bona fide redundancy payment of \$56,617 excluding Long Service Leave of \$9,491 paid.

Share Based Remuneration

Options

On 11 November 2019, shareholder approval was received for the adoption of an Employee Securities Incentive Plan (**ESIP**). During the year, a total of 700,000 unlisted options exercisable at \$0.01 expiring 11 December 2023 (ESIP Options) were issued to Ms Jenine Owen, and subsequently lapsed upon cessation of employment on 31 March 2021.

No options were granted to Directors for remuneration during the financial year and there were no outstanding options over ordinary shares held by Directors at 30 June 2021.

Shares

On 17 April 2014, shareholder approval was received for the adoption of an Employee Share Plan (**ESP** or **Plan**). The Plan was renewed following receipt of shareholder approval at the 22 November 2017 annual general meeting. The renewal period of the Plan was for three (3) years.

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

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

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

Although these are shares for legal and taxation purposes, Accounting Standards require they be treated as options for accounting purposes. On the basis that the shares can be returned by the employee at any time with no consequence, Accounting Standards require that the issue of the shares is treated as an 'option' for accounting purposes.

See note 21 for further details.

ESP Terms and Conditions

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

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

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

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

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

- (i) buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied or was waived (or became incapable of satisfaction) under Part 2J.1 of the *Corporations Act 2001* in consideration for the cancellation of any Loan granted;
- (ii) cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied or was waived (or became incapable of satisfaction) under Part 2J.1 of the *Corporations Act 2001* in consideration for the cancellation of any Loan granted; or
- (iii) in the event that such a buy-back or cancellation of shares cannot occur, require the Participant to sell the shares as soon as reasonably practicable either on the ASX and give the Company the sale proceeds (**Sale Proceeds**), which the Company will apply in the following priority:
 - a) first, to pay the Company any outstanding Loan Amount (if any) in relation to the shares and the Company's reasonable costs in selling the shares;
 - b) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant; and
 - c) lastly, any remainder to the Company to cover its costs of managing the Plan.

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

For details of ESP shares issued in the previous financial year refer to the remuneration report of the 2020 Annual Report. A summary of the ESP was set out in the Notice of General Meeting held 15 August 2019.

There were no new shares granted pursuant to the ESP during the year ended 30 June 2021.

ESP Share Holdings

The number of shares held under the Company's ESP during the financial year by each director of Arrow and any other key management personnel of the Group, including their personally related parties, are set out below:

30 June 2021

		Opening Balance		Awarded ¹	Vested	Lapsed ²	Net change other	Closing balance	
		No.	No.	No.	No.	No.	No.	No.	No.
		<i>Vested</i>	<i>Unvested</i>					<i>Vested</i>	<i>Unvested</i>
H Golden	Managing Director	1,500,000	4,500,000	-	3,000,000	-	-	4,500,000	1,500,000
F Tabeart	Non-Exec. Chairman	1,046,875	1,209,375	-	750,000	(356,250)	-	1,525,000	375,000
T McKeith	Non-Exec. Director	375,000	1,125,000	-	3,000,000	-	-	1,125,000	375,000
J Owen	Chief Financial Officer	675,000	1,125,000	-	750,000	-	(1,800,000) ³	-	-
Total		3,596,875	7,959,375	-	7,500,000	(356,250)	(1,800,000)	7,150,000	2,250,000

30 June 2020

		Opening Balance		Awarded ¹	Vested	Lapsed ²	Net change other	Closing balance	
		No.	No.	No.	No.	No.	No.	No.	No.
		<i>Vested</i>	<i>Unvested</i>					<i>Vested</i>	<i>Unvested</i>
H Golden	Managing Director	-	-	6,000,000	1,500,000	-	-	1,500,000	4,500,000
F Tabeart	Non-Exec. Chairman	1,049,554	478,125	1,500,000	675,000	(771,429)	-	1,046,875	1,209,375
T McKeith	Non-Exec. Director	-	-	1,500,000	375,000	-	-	375,000	1,125,000
J Owen	Chief Financial Officer	75,000	225,000	1,500,000	600,000	-	-	675,000	1,125,000
M Ball	Non-Exec. Director	-	-	1,500,000	375,000	-	(1,500,000) ⁴	-	-
S Michael	MD & CEO	3,735,714	3,450,000	750,000	3,187,500	(1,285,714)	(6,650,000) ⁵	-	-
N Ong	Non-Exec. Director	1,143,304	384,375	-	100,000	(771,429)	(756,250) ⁶	-	-
M Foy	Company Secretary	1,076,787	712,500	750,000	787,500	(514,287)	(2,025,000) ⁷	-	-
Total		7,080,359	5,250,000	13,500,000	7,600,000	(3,342,859)	(10,931,250)	3,596,875	7,959,375

¹ Awarded subject to meeting vesting conditions.

² Cancellation of ESP Shares following expiration of term.

³ Upon resignation on 31 March 2021, Mr Owen held 1,800,000 ESP shares.

⁴ Upon resignation on 31 March 2020, Mr Ball held 1,500,000 ESP shares.

⁵ Upon resignation on 5 February 2020, Mr Michael held 6,650,000 ESP shares.

⁶ Upon resignation on 26 August 2019, Mr Ong held 756,250 ESP shares.

⁷ Upon resignation on 10 December 2019, Mr Foy held 2,025,000 ESP shares.

Share holdings (excluding ESP share holdings)

The number of ordinary shares in the Company held during the financial year (excluding ESP share holdings) by each director of Arrow and any other key management personnel of the Group, including their personally related parties, are set out below:

30 June 2021		Opening Balance No.	Granted as remuneration No.	Net change other No.	Closing balance No.
H Golden	Managing Director	4,000,000	-	1,333,333 ¹	5,333,333
F Tabeart	Non-Exec. Chairman	-	-	2,166,667 ²	2,166,667
T McKeith	Non-Exec. Director	147,333,340	-	6,001,333 ³	153,334,673 ¹¹
J Owen	CFO	-	-	- ⁴	-
Total		151,333,340	-	9,501,333	160,834,673

30 June 2020		Opening Balance No.	Granted as remuneration¹ No.	Net change other No.	Closing balance No.
H Golden	Managing Director	-	-	4,000,000 ⁵	4,000,000
F Tabeart	Non-Exec. Chairman	-	-	-	-
T McKeith	Non-Exec. Director	-	-	147,333,340 ⁶	147,333,340
J Owen	CFO	-	-	-	-
M Ball	Non-Exec. Director	-	-	- ⁷	-
S Michael	MD & CEO	1,751,428	-	(1,751,428) ⁸	-
N Ong	Non-Exec. Director	78,571	-	(78,571) ⁹	-
M Foy	Company Secretary	581,965	-	(581,965) ¹⁰	-
Total		2,411,964	-	148,921,376	151,333,340

¹ Participation in Placement B to acquire 1,333,333 shares at 0.6¢ each.

² Participation in Placement B to acquire 2,166,667 shares at 0.6¢ each.

³ Participation in Placement B to acquire 6,001,333 shares at 0.6¢ each.

⁴ Upon resignation on 31 March 2021, Ms Owen held nil shares.

⁵ Comprising:

- Participation in Placement A to acquire 1,000,000 shares at 1.0¢ each.
- Participation in Placement B to acquire 3,000,000 shares at 0.5¢ each.

⁶ Comprising:

- Upon appointment as a director on 26 August 2019:
 - 6,166,670 shares held by Thomas McKeith (as trustee for a family trust and superannuation fund) (being shares acquired in the Company as part of the Boromo Acquisition); and
 - 61,484,380 shares held indirectly by GenGold Resource Capital Pty Ltd (**GenGold**), a company which Mr McKeith holds a significant shareholder interest, and is a director of (being shares acquired in the Company as part of the Boromo Acquisition).
- Acquisition of 69,682,290 shares by GenGold upon conversion of 69,682,290 Performance Rights (Class A).
- Participation in Placement B to acquire 10,000,000 shares at 0.5¢ each.

⁷ Comprising:

- Upon appointment as a director on 26 August 2019, Mr Ball held 416,667 shares (being shares acquired in the Company as part of the Boromo Acquisition).
- Upon his resignation on 31 March 2020, Mr Ball directly and indirectly held 416,667 shares.

⁸ Upon resignation on 5 February 2020, Mr Michael directly and indirectly held 1,751,428 shares.

⁹ Upon resignation on 26 August 2019, Mr Ong held 78,571 shares.

¹⁰ Upon resignation on 10 December 2019, Mr Foy held 581,965 shares.

¹¹ Mr Thomas McKeith's interest in shares at 30 June 2021 comprises:

- 22,168,003 shares held directly; and
- 131,166,670 shares held indirectly by GenGold (as detailed above).

Option holdings

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

30 June 2021		Opening Balance No.	Granted as remuneration No.	Options exercised No.	Net change other No.	Closing balance No.
H Golden	MD	500,000	-	-	-	500,000
F Tabcart	Non-Exec. Chairman	-	-	-	-	-
T McKeith	Non-Exec. Director	1,000,000	-	-	-	1,000,000
J Owen	CFO	-	700,000	-	(700,000) ¹	-
Total		1,500,000	700,000	-	(700,000)	1,500,000

30 June 2020		Opening Balance No.	Granted as remuneration No.	Options exercised No.	Net change other No.	Closing balance No.
H Golden	MD	-	-	-	500,000 ²	500,000
F Tabcart	Non-Exec. Chairman	375,000	-	-	(375,000) ³	-
T McKeith	Non-Exec. Director	-	-	-	1,000,000 ²	1,000,000
J Owen	CFO	-	-	-	-	-
M Ball	Non-Exec. Director	-	-	-	-	-
S Michael	MD & CEO	653,572	-	-	(653,572) ³	-
N Ong	Non-Exec. Director	298,215	-	-	(298,215) ⁴	-
M Foy	Company Secretary	693,407	-	-	(693,407) ³	-
Total		2,020,194	-	-	(520,194)	1,500,000

¹ Unlisted options with an exercise price of \$0.01 expiring 11 December 2023 lapsed upon cessation of employment of Ms Owen on 31 March 2021 pursuant to the terms of the Company's ESIP.

² Unlisted options with an exercise price of \$0.02 expiring 22 August 2022 acquired pursuant to participation in Placement A.

³ Listed options expired 31 December 2019.

⁴ Upon his resignation on 26 August 2019, Mr Ong held 298,215 options.

Performance Rights holdings

The number of Performance Rights in the Company held during the financial period by any relevant director of Arrow and any other key management personnel of the Group, including their personally related parties, are set out below:

30 June 2021		Opening Balance No.	Granted as remuneration No.	Conversion to shares No.	Net change other No.	Closing balance No.
T McKeith	Non-Exec. Director	139,364,590	-	-	-	139,364,590
Total		139,364,590	-	-	-	139,364,590

30 June 2020		Opening Balance No.	Granted as remuneration No.	Conversion to shares No.	Net change other No.	Closing balance No.
T McKeith	Non-Exec. Director	-	-	(69,682,290) ²	209,046,880 ¹	139,364,590
Total		-	-	(69,682,290)	209,046,880	139,364,590

¹ Upon appointment of Mr McKeith as a director on 26 August 2019, GenGold held 209,046,880 Performance Rights in the Company.

² On 30 December 2019, the performance hurdle in respect of Class A Performance Rights was satisfied, resulting in the conversion of and issue of 69,682,290 shares to GenGold.

Non-Executive Director Fees

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

Non-Executive Directors receive a fixed base fee for their services of \$36,000 per annum (excl. GST, excl. share-based payments) for services performed. Non-executive Directors' fees and payments are reviewed annually by the Board. There are no termination or retirement benefits for Non-Executive Directors (other than statutory superannuation where applicable).

Service Agreements

The Company had service agreements with the following key management personnel during the year:

Current key management personnel:

Howard Golden – Managing Director

Mr Golden's appointment is engaged under an employment contract for an indefinite term subject to specified termination provisions. If the Company wishes to terminate the contract, other than if Mr Golden commits any act of serious misconduct, the Company is obliged to give three months' written notice or pay out three months' of annual salary and pay a termination payment equivalent to three months' annual salary. If Mr Golden wishes to terminate the contract he must provide three months' notice. His remuneration package comprises an annual salary of \$250,000 per annum plus statutory superannuation contributions.

Effective from 1 July 2021, Mr Golden's annual remuneration package was revised to \$275,000 plus superannuation.

Frazer Tabeart – Non-executive Chairman

Dr Tabeart's remuneration for services as Non-Executive Chairman is \$48,000 per annum, via a consulting agreement with Geogen Consulting Pty Ltd. No additional fees were paid to director-related entity Geogen Consulting Pty Ltd for consulting services.

Thomas McKeith – Non-Executive Director

Mr McKeith is entitled to \$36,000 per annum plus statutory superannuation contributions in remuneration for his services as a Non-Executive Director. This remuneration is subject to annual review by the Board.

Former key management personnel:

Jenine Owen – Chief Financial Officer

During the period Ms Owen was entitled to receive a salary of \$150,000 per annum plus superannuation pro rata based on FTE. Ms Owen was employed at a 1.0 FTE in July 2020, 0.6 FTE from August to September 2020, and 0.4 FTE from October to March 2021. Ms Owen resigned on 31 March 2021.

Other Transactions with key management personnel

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

During the year, an amount of \$22,665 (2020: \$14,229) was paid or payable in relation to these services. An amount of \$682 (2020: nil) is payable at year end.

The Company entered into a service agreement with GenGold Resources Capital Pty Ltd (**GenGold**) effective 1 September 2019 for the hire of minor exploration equipment. Mr McKeith is a related party of GenGold. During the year, an amount of \$9,000 (2020: \$6,750) was paid or payable in relation to this equipment. An amount of \$750 (2020: \$750) is payable at year end.

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

Other Financial Information

The following table shows the Group's financial results for the last five financial years, as well as the share prices at the end of the respective financial years.

	2021	2020	2019	2018	2017
Net loss before tax (\$)	2,678,461	6,993,446	3,909,752	685,532	887,642
Net loss after tax (\$)	2,678,461	6,993,446	3,909,752	550,628	887,642
Share price at start of year (cents)	0.7	1.1	2.5	2.6	0.3
Share price at end of year (cents)	0.6	0.7	1.1	2.5	2.6 ¹
Basic and diluted loss per share (cents)	0.197	0.857	1.256	0.270	0.867

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

Adoption of Remuneration Report by Shareholders

The adoption of the Remuneration Report for the financial year ended 30 June 2020 was put to the shareholders of the Company at the Annual General Meeting held 19 November 2020. The resolution was passed and decided by way of poll (98.5% in favour). The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Remuneration Report

Directors' Interests in the Shares and Options of the Company

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

	Ordinary shares (non-ESP shares) No.	Ordinary shares (ESP shares) No.	Unlisted Options No.	Performance Rights No.
F Tabeart	2,166,667	1,900,000	-	-
H Golden	5,333,333	6,000,000	500,000	-
T McKeith ¹	153,334,673	1,500,000	1,000,000	139,364,590

¹ Mr McKeith is a director of GenGold Resource Capital Pty Ltd which owns 131,666,670 ordinary shares and 139,364,590 Performance Rights.

Shares under Options

No options were exercised during the 2021 financial year and no shares have been issued from the exercise of options since year-end to the date of this report. No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate. The names of all holders of options are entered into the Company's register, inspection of which may be made free of charge.

The following unlisted options over ordinary shares of the Company existed at 30 June 2021:

Expiry Date	No.	Exercise Price
22 August 2022	120,150,000	2.0¢
15 October 2022	10,000,000	1.25¢
22 August 2023	37,500,000	1.45¢
11 December 2023	2,850,000	1.00¢
	<u>170,500,000</u>	

Performance rights

The following performance rights existed at 30 June 2021:

	No.
Class B Performance Rights subject to performance conditions expiring on 26/08/2022	69,682,290
Class C Performance Rights subject to performance conditions expiring on 26/08/2023	69,682,300

MEETINGS OF DIRECTORS

The following table sets out the number of Directors' meetings held during the year and the number of meetings attended by each Director.

	Board		Audit Committee		Risk Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
F Tabeart	6	6	2	2	3	3
H Golden	6	6	2	2	3	3
T McKeith	6	6	2	2	3	3

INDEMNIFICATION OF AUDITORS AND OFFICERS

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

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

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

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

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

NON-AUDIT SERVICES

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

Details of the amount paid or payable to the auditor (Pitchers Partners BA&A Pty Ltd) or its associates for the audit and non-audit services provided during the year are set out in note 26 to this report.

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

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

ROUNDING OF AMOUNTS

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

AUDITOR INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2021 has been received and is included on page 33 of the financial report.

PROCEEDINGS ON BEHALF OF THE GROUP

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

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

Signed in accordance with a resolution of the Directors



Howard Golden

Managing Director

Perth, 22 September 2021

CORPORATE GOVERNANCE STATEMENT

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

Arrow's corporate governance practices were in place throughout the year ended 30 June 2021 and were compliant with the ASX Governing Council's best practice recommendations, unless otherwise stated. Information on Corporate Governance is available on the Company's website at: <https://arrowminerals.com.au/corporate-governance/>

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ARROW MINERALS LIMITED AND ITS CONTROLLED
ENTITIES**

In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been:

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

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

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD



J C PALMER
Executive Director
Perth, 22 September 2021

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	30 June 2021 \$	30 June 2020 \$
Continuing Operations			
Income	2(a)	539,928	611,592
Net gain/(loss) on financial assets/liabilities measured at fair value through profit or loss		(112,288)	(98,939)
Loss on sale of property, plant and equipment		-	(3,651)
Employee benefits expenses	2(b)	(454,386)	(868,388)
Occupancy costs		(28,147)	(64,189)
Amortisation of right of use assets		(69,784)	(78,247)
Exploration expenditure		-	(55,137)
Impairment of exploration and evaluation assets	9(a)	(1,573,498)	(5,373,200)
Finance costs	2(c)	(145,488)	(15,523)
Depreciation		(68,648)	(71,719)
Share-based payment expense	21(a)	(10,377)	(400,274)
Administration and other expenses	2(d)	(755,773)	(575,771)
Loss before tax from operations		(2,678,461)	(6,993,446)
Income tax expense	3(a)	-	-
Loss after tax from operations		(2,678,461)	(6,993,446)
Other comprehensive income/(loss)			
Items that may be classified subsequently to profit or loss			
Movement in foreign currently translation reserve		927	(6,391)
Other comprehensive income/(loss) for the year		927	(6,391)
Total comprehensive loss for the year attributable to members of the Company		(2,677,534)	(6,999,837)
Loss per share for the period attributable to the members of Arrow Minerals Ltd			
Basic loss per share (cents per share)	17	(0.197)	(0.857)
Diluted loss per share (cents per share)	17	(0.197)	(0.857)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	30 June 2021	30 June 2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	3,283,858	1,485,933
Financial assets	5	-	324,714
Trade and other receivables	6	71,786	37,144
Prepayments	7	40,594	354,319
TOTAL CURRENT ASSETS		3,396,238	2,202,110
NON-CURRENT ASSETS			
Exploration and evaluation assets	9	9,799,067	8,865,472
Right of use assets	8	43,233	68,568
Property, plant and equipment	10	61,272	66,498
TOTAL NON-CURRENT ASSETS		9,903,572	9,000,538
TOTAL ASSETS		13,299,810	11,202,648
CURRENT LIABILITIES			
Trade and other payables	11	506,460	331,978
Right of use lease liabilities	12	13,666	82,428
Interest bearing liabilities	13	-	33,329
TOTAL CURRENT LIABILITIES		520,126	447,735
NON-CURRENT LIABILITIES			
Right of use lease liabilities	12	29,675	-
Other financial liabilities	14	1,198,899	146,333
TOTAL NON-CURRENT LIABILITIES		1,228,574	146,333
TOTAL LIABILITIES		1,748,700	594,068
NET ASSETS		11,551,110	10,608,580
EQUITY			
Issued capital	15	45,957,349	42,347,662
Reserves	16	2,884,981	2,873,677
Accumulated losses		(37,291,220)	(34,612,759)
TOTAL EQUITY		11,551,110	10,608,580

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	30 June 2021 \$	30 June 2020 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,434,749)	(1,639,250)
Interest income received		1,753	2,974
Government stimulus		50,000	39,003
<i>Net cash used in operating activities</i>	4(a)	(1,382,996)	(1,597,273)
Cash Flows from Investing Activities			
Proceeds from the sale of tenements		40,000	227,760
Proceeds from sale of financial assets		719,155	457,322
Payment for exploration and evaluation activities		(1,997,126)	(2,020,275)
Purchase of property plant and equipment		(63,422)	-
Proceeds from sale of property, plant and equipment		-	110,454
<i>Net cash used in investing activities</i>		(1,301,393)	(1,224,739)
Cash Flows from Financing Activities			
Proceeds from issue of shares		3,823,821	3,910,764
Capital raising transaction costs		(95,731)	(179,719)
Proceeds from convertible notes		1,000,000	-
Convertible notes transaction costs		(60,000)	-
Principal payments on lease liabilities		(70,975)	(76,948)
Principal payments on chattel mortgages		(33,329)	(88,426)
Interest paid on convertible notes		(80,000)	-
Interest paid on chattel mortgages		(1,714)	(4,703)
<i>Net cash from financing activities</i>		4,482,072	3,560,968
Net increase in cash and cash equivalents		1,797,683	738,956
Effect of exchange rate movements		242	(6,391)
Cash and cash equivalents at the beginning of the year		1,485,933	753,368
Cash and cash equivalents at end of year	4	3,283,858	1,485,933

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Issued Capital	Share-Based Payment Reserve (Shares)	Share-Based Payment Reserve (Options)	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	42,347,662	2,066,964	813,104	(6,391)	(34,612,759)	10,608,580
Loss after tax for the year	-	-	-	-	(2,678,461)	(2,678,461)
Other comprehensive loss	-	-	-	927	-	927
Total comprehensive loss for the period	-	-	-	927	(2,678,461)	(2,677,534)
Issue of Shares (net of costs)	3,609,687	-	-	-	-	3,609,687
Issue of Options (net of costs)	-	-	5,810	-	-	5,810
Share-based payments	-	4,567	-	-	-	4,567
Total transactions with equity holders	3,609,687	4,567	5,810	-	-	3,620,064
Balance at 30 June 2021	45,957,349	2,071,531	818,914	(5,464)	(37,291,220)	11,551,110

	Issued Capital	Share-Based Payment Reserve (Shares)	Share-Based Payment Reserve (Options)	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	35,136,180	1,957,057	522,738	-	(27,619,313)	9,996,662
Loss after tax for the year	-	-	-	-	(6,993,446)	(6,993,446)
Other comprehensive loss	-	-	-	(6,391)	-	(6,391)
Total comprehensive loss for the period	-	-	-	(6,391)	(6,993,446)	(6,999,837)
Issue of Shares (net of costs)	7,211,482	-	-	-	-	7,211,482
Issue of Options (net of costs)	-	-	290,366	-	-	290,366
Share-based payments	-	109,907	-	-	-	109,907
Total transactions with equity holders	7,211,482	109,907	290,366	-	-	7,611,755
Balance at 30 June 2020	42,347,662	2,066,964	813,104	(6,391)	(34,612,759)	10,608,580

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

Arrow Minerals Limited (the **Company** or **Arrow**) is a limited company incorporated in Australia. The consolidated financial report of the Company for the year ended 30 June 2021 comprises the Company and its subsidiaries (together referred to as the **Group**).

The financial report was authorised for issue by the Directors on 22 September 2021.

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

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

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

Compliance with IFRS

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

Basis of Preparation

Historical cost convention

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

b) Going concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Consolidated Statement of Comprehensive Income shows that the Group incurred a net loss of \$2,678,461 during the year ended 30 June 2021 (2020: Loss of \$6,993,446). The Consolidated Statement of Financial Position shows that the Group had cash and cash equivalents of \$3,283,858 (2020: \$1,485,933).

The ability of the Group to continue as a going concern is dependent on it being able to successfully raise further debt or capital funding in the next 12 months, to pursue its current exploration strategy. Management will continue to explore the tenements and the Directors are confident that the Group will be able to continue as a going concern and meet its current liabilities as and when they fall due in the next 12 months. Specifically, the Directors' conclusion is supported by the following:

- Successful capital raisings during the 30 June 2021 financial year, totalling \$3,823,821 (before costs) and a further \$1,000,000 (before costs) raised from the issue of the Convertible note;
- The ability to reduce exploration and evaluation expenditures accordingly should the need arise through the ongoing closing monitoring of cash reserves; and
- No anticipated events of default from the Convertible note (on which there are no financial covenants – refer note 14(a)) which has a maturity date of 26 August 2024, giving the Group time to pursue its strategy of achieving exploration success from its tenement portfolio.

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

Should the Group be unable to raise further debt or capital within the next 12 months with the initiatives detailed above then there exists a significant uncertainty that the Group may in the future not be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statements.

c) New standards, interpretations and amendments adopted by the Group

In the year ended 30 June 2021, the Directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the year end reporting period beginning on or after 1 July 2020.

As a result of this review, the Directors have applied all new and amended Standards and Interpretations that were effective as at 1 July 2020 including:

Conceptual Framework for Financial Reporting and relevant amending standards

The Group has adopted the conceptual framework for financial reporting and relevant amending standards with the date of initial application being 1 July 2020.

At 1 July 2020 it was determined that the adoption of the conceptual framework for financial reporting and relevant amending standards had no impact on the Group.

AASB 2018-7 Definition of Material (Amendments to AASB 101 and AASB 108)

The Group has adopted AASB 2018-7 with the date of initial application being 1 July 2020.

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

At 1 July 2020 it was determined that the adoption of AASB 2018-7 had no impact on the Group.

d) New accounting standards and interpretations not yet effective

The Australian Accounting Standards Board (AASB) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below.

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2020-3	Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendments	AASB 2020-3 amends AASB 1 First-time Adoption of Australian Accounting Standards, AASB 3 Business Combinations, AASB 9 Financial Instruments, AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 141 Agriculture. The main amendments relate to:	1 January 2022	1 July 2022

Reference	Title	Summary	Application date of standard	Application date for Group
		<p>(a) AASB 1 – simplifies the application by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;</p> <p>(b) AASB 3 – updates references to the Conceptual Framework for Financial Reporting;</p> <p>(c) AASB 9 – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;</p> <p>(d) AASB 116 – requires an entity to recognise the sales proceeds from selling items produced while preparing PP&E for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;</p> <p>(e) AASB 137 – specifies the costs that an entity includes when assessing whether a contract will be loss making; and</p> <p>(f) AASB 141 – removes the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.</p> <p>The likely impact of this accounting standard on the financial statements of the Group has not been determined</p>		
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	<p>AASB 2014-10 amends AASB 10: <i>Consolidated Financial Statements</i> and AASB 128: <i>Investments in Associates and Joint Ventures</i> to clarify the accounting for the sale or contribution of assets between an investor and its associate or joint venture by requiring:</p> <p>(a) a full gain or loss to be recognised when a transaction involves a business, whether it is housed in a subsidiary or not; and</p> <p>(b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</p> <p>This accounting standard is not expected to have a material impact on the financial statements of the Group.</p>	1 January 2022	1 July 2022
AASB 2020-1 and AASB 2020-6	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current; and Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	<p>AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It requires a liability to be classified as current when entities do not have a substantive right to defer settlement at the end of the reporting period.</p> <p>AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022. They will first be applied by the Group in the financial year commencing 1 July 2023.</p> <p>The likely impact of this accounting standard on the financial statements of the Group has not been determined.</p>	1 January 2023	1 July 2023
AASB 2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies	AASB 2020-1 amends AASB 7 Financial Instruments: Disclosures, AASB 101 Presentation of Financial Statements, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 134 Interim Financial Reporting and AASB Practice	1 January 2023	1 July 2023

Reference	Title	Summary	Application date of standard	Application date for Group
	and Definition of Accounting Estimates	<p>Statement 2 Making Materiality Judgements. The main amendments relate to:</p> <ul style="list-style-type: none"> (a) AASB 7 – clarifies that information about measurement bases for financial instruments is expected to be material to an entity's financial statements; (b) AASB 101 – requires entities to disclose their material accounting policy information rather than their significant accounting policies; (c) AASB 108 – clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates; (d) AASB 134 – to identify material accounting policy information as a component of a complete set of financial statements; and (e) AASB Practice Statement 2 – to provide guidance on how to apply the concept of materiality to accounting policy disclosures. <p>The likely impact of this accounting standard on the financial statements of the Group has not been determined.</p>		

e) Basis of Consolidation

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

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

Acquisition of an asset or a group of assets that does not constitute a business

The Group has to identify and recognise the individual identifiable assets acquired (including intangible assets) and liabilities assumed. The cost of the group being acquired is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. These transaction and events do not give rise to goodwill.

Transactions eliminated on consolidation

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

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

f) Foreign Currency Transactions and Balances

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the presentation currency of the Group. The functional currency of the subsidiaries based in Burkina Faso is West African CFA Franc.

Translation of foreign operations:

As at the reporting date the assets and liabilities of foreign operations are translated into the presentation currency at the rate of exchange ruling at the reporting date and the statement of comprehensive income, statement cash flows and statement of changes in equity are translated at the weighted average exchange rates for the year. The

exchange differences arising on the retranslation are recognised in other comprehensive income and accumulated balances are carried forward as a separate component of equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

Translation of foreign loans:

Loans from the parent entity to foreign operations are denominated in Central African Francs (**XOF**). They are initially recognised in the parent entity Statement of Financial Position at the spot rate on the date of transaction. Loan balances are translated into the presentation currency at the exchange rate ruling at each reporting date, and exchange differences arising on the translation of intercompany loans is recognised in the Statement of Comprehensive Income.

g) Goods and Services Tax

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

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

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

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

h) Income Tax

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

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

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

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

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

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

For the purposes of income tax legislation, the Company and its 100% controlled Australian entities have elected to form a tax consolidated group. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liability of these entities are set off in the consolidated financial statements.

i) Cash and Cash Equivalents

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

j) Trade and Other Receivables

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

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

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

k) Investments and Other Financial Assets

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

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

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

l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the group for the acquisition of a business, and financial liabilities designated at FVTPL, are subsequently measured at fair value. All other financial liabilities recognised by the group are subsequently measured at amortised cost.

The Group's financial liabilities include trade and other payables, and convertible note payables (refer note 14).

Convertible notes have embedded derivatives within them. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

The convertible note is valued as a financial liability ("Host Debt") with an embedded derivative feature ("Embedded derivative").

Subsequent Measurement

Subsequent measurement for Host Debt is at amortised costs. Subsequent measurement for Embedded derivative is at fair value through profit and loss.

m) Interest in Joint Arrangements

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

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

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

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

As at the reporting date 30 June 2021, the Group does not have any Joint Arrangements as defined in this policy. While there are agreements in place with Furtuna Silver Mines (for the Hounde South Project) and Trevali Mining (for the Arrow and Trevali permits that comprise the Vranso Project), there is no joint control over decisions about relevant activities required to progress these projects.

n) Property, Plant and Equipment

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

Subsequent Costs

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

Depreciation

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

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

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

De-recognition

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

o) Exploration and Evaluation Expenditure

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

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

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

Exploration and evaluation assets are assessed for impairment if:

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

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

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

p) Impairment of Non-Financial Assets

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

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

q) Trade and Other Payables

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

r) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e. the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

s) Revenue Recognition

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

- Interest income is recognised as it accrues using the effective interest method.
- Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met.

Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Grants relating to depreciable assets are credited to deferred income and are recognised in profit or loss over the period and in the proportions in which depreciation expense on those assets is recognised.

t) Contributed equity

Ordinary shares are classified as equity.

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

u) Share-based Payments

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

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

v) Measurement of Contingent Consideration

When the fair values of financial assets and financial liabilities recorded in the Consolidated Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Black-Scholes option pricing model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

Contingent consideration, resulting from asset acquisitions, is valued at fair value at the acquisition date as part of the asset acquisition. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on a probability weighted payout approach. The key assumptions take into consideration the probability of meeting each performance target (refer to note 14).

As part of the accounting for the acquisition of Boromo (completed in August 2019), contingent consideration with an estimated fair value of \$730,955 was recognised as a current liability at the acquisition date. During the year ended 30 June 2020, the first performance milestone was met, with \$557,458 transferred to Issued Capital. The remaining contingent consideration was remeasured to \$146,333 as at 30 June 2020. The remaining contingent consideration was remeasured to \$209,047 at the current reporting date.

w) Earnings Per Share

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

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

x) Rounding

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

y) Critical accounting judgements, estimates and assumptions

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

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

Significant accounting judgments

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

Exploration and evaluation assets

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

Share-based payments (refer note 21)

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

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events.

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

(i) Impairment of assets

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

(ii) Commitments – Exploration

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

(iii) Benefit from carried forward tax losses

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

(iv) Valuation of share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined by using the Black-Scholes model considering the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity settled share-based payments would have no impact on the carrying amount of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(v) Contingent Consideration

The contingent consideration (referred to at note 14(b)) which arose as part of accounting for the acquisition of Boromo (completed in August 2021) was remeasured at 30 June 2021. In determining the fair value of the contingent consideration, estimations are made based on a probability weighted payout approach. The key assumptions take into consideration the probability of meeting each performance target and management's expectation regarding timing as to when the milestone will be achieved (refer note 14(b)).

(vi) Convertible note

The convertible note (referred to at note 14(a)) is valued as a financial liability (**Host Debt**) with an embedded derivative feature (**Embedded Derivative**), being the conversion feature based on the lower of 0.75 cents and 1.25 times the prevailing price of shares (Subsequent Equity Raising), resulting in a variable number of shares. AASB 9 requires to separate out the value of the Embedded Derivative first and then calculate the value of the financial liability. In valuing the Embedded Derivative, the Company has assumed a nil probability of default and a term of 4 years).

2. REVENUE AND EXPENSES

	30 Jun 2021	30 Jun 2020
	\$	\$
a) Income		
Interest income	1,753	2,974
Cash flow boost – Government Stimulus	50,000	39,003
Profit on sale of investments (refer note 5(a))	446,675	26,801
Profit on sale of tenements	40,000	542,814
Other income	1,500	-
	<u>539,928</u>	<u>611,592</u>
b) Employee benefits expense		
Employee benefits, including ETP and Directors' fees	416,552	817,086
Superannuation expenses	37,834	51,302
	<u>454,386</u>	<u>868,388</u>

	30 Jun 2021	30 Jun 2020
	\$	\$
c) Finance costs		
Bank fees	5,793	10,346
Brokerage fees	1,391	472
Lease interest expense	2,207	4,705
Convertible note – amortised interest cost on host debt	136,097	-
	<u>145,488</u>	<u>15,523</u>
d) Administration and other expenses		
Consultants, advisers, and auditors	133,138	205,988
Insurance	54,349	53,337
Legal costs	60,632	39,430
Public company costs	105,402	63,322
Overheads	274,423	188,235
Travel costs	1,838	37,429
Foreign exchange loss/(gain)	125,991	(11,970)
	<u>755,773</u>	<u>575,771</u>

3. INCOME TAX EXPENSE

	30 Jun 2021	30 Jun 2020
	\$	\$
a) The components of tax expense / (benefit) comprise:		
Current tax benefit / (expense)	-	-
Deferred tax benefit / (expense)	-	-
Offset against DTA not recognised	(127,501)	-
Under / (over) provision in prior years	127,501	-
	<u>-</u>	<u>-</u>
b) Reconciliation of prima facie tax on continuing operations to income tax benefit:		
Profit / (Loss) before tax for the year	(2,678,461)	(6,993,446)
Tax benefit @ 30% tax rate (Australia) (2020: 30%)	(645,160)	(2,048,118)
Burkina Faso tax at 28%	(130,005)	(46,588)
<i>Adjustments for:</i>		
Entertainment	-	268
Unrealised foreign exchange losses	-	2,814
Capital loss	11,126	192,170
Cash Flow Boost	(8,498)	-
Repair and maintenance	-	(11,702)
Other non-deductible expenses	546,730	222,750
Share-based payments	3,113	120,083
Unrecognised DTA on tax losses	95,193	1,568,323
Under provision in prior period	127,501	-
Income tax expense / (benefit) attributable to profit	<u>-</u>	<u>-</u>

	30 Jun 2021	30 Jun 2020
	\$	\$
c) Components of deferred tax assets		
<i>Deferred tax assets</i>		
Tax losses	11,613,515	11,061,653
Provisions & accruals	38,653	20,066
Plant and equipment under lease	13,002	20,960
Capital & borrowing costs	80,543	126,237
Business related costs	22,350	-
Investments	-	127,013
Offset against deferred tax liability / not recognised	(11,768,063)	(11,355,929)
<i>Deferred tax liabilities</i>		
Prepayments	(4,562)	(3,883)
Investments	(9,189)	-
Plant and equipment under lease	-	(20,570)
Exploration expenditure	(2,932,755)	(2,938,186)
Offset against deferred tax assets / not recognised	2,946,506	2,962,639
Net deferred tax assets / (liability)	-	-
d) Deferred tax assets / liabilities not brought to account		
Temporary differences	(2,804,928)	(2,668,363)
Capital losses	177,415	192,170
Operating tax losses	11,613,515	9,331,683
	8,986,002	6,855,490
The tax benefits of the above deferred tax assets will only be obtained if:		
- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;		
- the Group continues to comply with the conditions for deductibility imposed by law; and		
- no changes in income tax legislation adversely affect the Group in utilising the benefits.		
e) Deferred income tax (revenue)/expense included in Income Tax expense comprises:		
(Increase) / decrease in deferred tax assets	6,528	(136,745)
(Decrease) / increase in deferred tax liabilities	(132,881)	(360,098)
Deferred tax assets not recognised	(1,147)	496,843
Under provision in prior period	127,500	-
	-	-
f) Deferred income tax related to items charged or credited directly to equity		
Decrease / (increase) in deferred tax assets	33,664	59,440
Deferred tax assets not recognised	(33,664)	(59,440)
	-	-

g) Tax Consolidation

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

4. CASH AND CASH EQUIVALENTS

	30 Jun 2021	30 Jun 2020
	\$	\$
Cash at bank and on hand	3,283,858	1,485,933
	3,283,858	1,485,933
(a) Reconciliation of loss for the year to operating cash flows		
Loss for the year	(2,678,461)	(6,993,446)
<i>Cashflows excluded from profit attributable to operating activities</i>		
Finance costs on interest bearing liabilities	1,714	4,704
<i>Adjustments for non-cash items:</i>		
Impairment of exploration & evaluation assets	1,573,498	5,373,200
Share-based payment expense	10,377	400,274
Depreciation expense	68,648	71,719
Amortisation expense	69,784	78,247
Gain on disposal of investments	(446,675)	(26,801)
Gain on disposal of tenements	-	(315,054)
Revaluation of financial assets	52,234	98,939
Revaluation of embedded derivative	(2,660)	-
Interest on convertible note	52,512	-
Revaluation of contingent consideration (performance shares)	62,714	-
Loss on disposal of assets	-	3,651
<i>Movement in working capital items:</i>		
(Increase) / decrease in trade and other receivables	(34,642)	33,470
(Increase) / decrease in prepayments	15,145	(358,494)
Increase in provisions	-	12,560
Increase / (decrease) in trade and other payables	(155,244)	68,186
Increase / (decrease) in payroll liabilities	28,060	(48,428)
Net cash used in operating activities	(1,382,996)	(1,597,273)

5. FINANCIAL ASSETS

	30 Jun 2021	30 Jun 2020
	\$	\$
Shares in Macarthur Minerals Limited (a)	-	272,480
Warrants in Pacton Gold Inc. (b)	-	52,234
	-	324,714

- (a) During the current year the Company sold 1,702,997 fully paid ordinary shares in Macarthur Minerals Limited for \$719,154 consideration, resulting in a net gain on sale of investments of \$446,675 which is included within the statement of comprehensive income.
- (b) On 22 May 2021, the Company's holding of 1,086,957 warrants in Pacton Gold Inc. expired. The carrying value of the financial asset was accordingly written down to nil and a net loss on revaluation is included within the statement of comprehensive income in the current year.

6. TRADE AND OTHER RECEIVABLES

	30 Jun 2021	30 Jun 2020
	\$	\$
Bonds	9,316	26,006
Deposits	8,011	-
GST receivable	49,189	-
Other debtors	5,270	11,138
	71,786	37,144

7. PREPAYMENTS

	30 Jun 2021	30 Jun 2020
	\$	\$
Prepaid expenses	31,064	44,747
Prepaid drilling costs	9,530	309,572
	40,594	354,319

8. RIGHT OF USE ASSETS

	30 Jun 2021	30 Jun 2020
	\$	\$
Right of use assets		
Cost	44,449	146,815
Accumulated amortisation	(1,216)	(78,247)
	43,233	68,568
<i>Movements:</i>		
Balance at beginning of year	68,568	146,815
Additions (a)	44,449	-
Amortisation for the period	(69,784)	(78,247)
	43,233	68,568

- (a) On 1 June 2021, the Group entered into a new lease arrangement for its office in Subiaco, Australia, which expires on 31 May 2024, with an option to extend for a further three-year period, no option to purchase at the expiry of the lease period.

At the commencement date of a lease (other than leases of 12 months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group's existing lease arrangements in relation to its office and a warehouse facility (as detailed in the 30 June 2020 annual report) expired on 31 May 2021 and 31 March 2021 respectively.

9. EXPLORATION AND EVALUATION ASSETS

	30 Jun 2021	30 Jun 2020
	\$	\$
Exploration and evaluation assets	9,799,067	8,865,472
<i>Movements:</i>		
Balance at the beginning of the year	8,865,472	8,550,831
Expenditure incurred during the year	2,507,093	1,716,556
Fair value of tenements on acquisition	-	3,971,285
Impairment recognised during the year (a)	(1,573,498)	(5,373,200)
Balance at the end of the year	9,799,067	8,865,472
<i>The asset balance comprises of the following areas of interest:</i>		
Boromo Gold Projects – Burkina Faso	6,595,013	5,210,918
Strickland Gold Project	2,850,722	2,134,310
Malinda Lithium Project	353,332	564,350
Plumridge Nickel and Gold Projects	-	955,894
	9,799,067	8,865,472

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

The impairment expense totalling \$1,573,498 recognised in the year ended 30 June 2021 includes:

- \$987,105 in respect of the Plumridge Nickel and Gold Projects. In March 2021, the Company notified IGO Ltd (**IGO**) of its conversion of its 10% contributing interest in the joint venture project to a 1% NSR royalty;
- \$333,766 in respect of the Malinda Lithium Project. The carrying value of the Malinda Lithium Project has been written down to \$353,333, representing the fair value less costs to sell (**FVLCTS**). The FVLCTS has been determined from the implied market value of Arrow's retained interest (25%) under the earn-in agreement entered into with Electrostare Pty Ltd (**Electrostare**), as announced 23 August 2021; and
- \$252,627 in respect of the Gourma Project (part of the Boromo Gold Projects in Burkina Faso) following the decision to relinquish all Gourma licenses.

The impairment expense totalling \$5,373,200 recognised in the year ended 30 June 2020 related to \$4,397,050 recognised on Strickland Gold Project and \$976,150 on Malinda Lithium Project. The FVLCTS has been determined from the implied market value based on the comparable transactions.

10. PLANT AND EQUIPMENT

	30 Jun 2021	30 Jun 2020
	\$	\$
Motor vehicle		
- At cost	123,090	64,208
- Accumulated depreciation	(73,040)	(52,377)
Total motor vehicle	50,050	11,831
Caravan		
- At cost	45,764	45,764
- Accumulated depreciation	(45,764)	(33,442)
Total Caravan	-	12,322
Office Improvements		
- At cost	131,921	115,005
- Accumulated depreciation	(120,699)	(72,660)
Total Office Improvements	11,222	42,345
Total property, plant and equipment	61,272	66,498

Movements in carrying amounts:

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

	Motor Vehicle	Caravan	Office Improvements	Total
	\$	\$	\$	\$
Balance at 1 July 2019	124,416	27,576	59,182	211,174
Additions	-	-	17,966	17,966
Disposals	(90,923)	-	-	(90,923)
Depreciation expense	(21,662)	(15,255)	(34,802)	(71,719)
Balance at 30 June 2020	11,831	12,321	42,346	66,498
Additions	58,882	-	4,540	63,422
Disposals	-	-	-	-
Depreciation expense	(20,663)	(12,321)	(35,664)	(68,648)
Balance at 30 June 2021	50,050	-	11,222	61,272

Chattel mortgages:

The carrying value of plant and machinery held under chattel mortgages at 30 June 2021 was nil (2020: \$33,329).

11. TRADE AND OTHER PAYABLES

	30 Jun 2021	30 Jun 2020
	\$	\$
Trade creditors and accruals	411,481	201,527
GST and withholding tax payable	14,316	25,286
Funds received ahead of capital raising	-	52,560
Payroll liabilities	80,663	52,605
	506,460	331,978

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

12. RIGHT OF USE LIABILITIES

	30 Jun 2021	30 Jun 2020
	\$	\$
Current		
Lease liability	13,666	82,428
Non-Current		
Lease liability	29,675	-
Total Current and Non-Current	43,341	-

13. INTEREST BEARING LIABILITIES

	30 Jun 2021	30 Jun 2020
	\$	\$
Current		
Obligations under chattel mortgage (note 19)	8%	2021
	-	33,329

14. OTHER FINANCIAL LIABILITIES

	30 Jun 2021	30 Jun 2020
	\$	\$
Convertible note (a)	989,852	-
Contingent consideration (b)	209,047	146,333
	1,198,899	146,333

(a) Convertible Note

On 26 August 2020 the Company issued 1,000,000 unsecured convertible notes at A\$1.00 each, raising \$1,000,000 (before costs of \$60,000). The notes have a 48 month Maturity Date, unless converted prior. Conversion can occur at any time up to the Maturity Date, unless redeemed prior through a Change in Control of the Company or by an Event of Default. The Company also holds the right to redeem the convertibles notes after 36 months and prior to

the Maturity Date. There are no specific financial covenants within the Event of Default, although failure to pay any material amounts under the agreement (e.g. interest) and insolvency are Events of Default. The convertible notes have an interest rate of 8% and allow the holder to convert the \$ amount held (Outstanding Amount) into the equivalent amount of shares based on the lower of 0.75 cents per share (being 1.25 times the price of shares issued to the market pursuant to the equity raising on 24 June 2020 (**First Equity Raising**)) and (if lower) 1.25 times the price of a subsequent capital raising. The debt instrument contains an embedded forward, being the conversion feature based on the lower of 0.75 cents and 1.25 times the prevailing price of shares (Subsequent Equity Raising), resulting in a variable number of shares.

Key Terms:

Amount Issued 1,000,000 unlisted and unsecured convertible notes of A\$1.00 face value

Maturity Date 48 months after deed date

Interest 8% per annum simple interest until conversion or redemption

Minimum Amount 100,000 notes (or \$100,000)

Conversion The notes convert into Conversion Shares on the following formula:

$$\text{Number of Conversion Shares} = \frac{\text{Amount Converted ($) *}}{\text{Conversion Price}}$$

** has to be greater than the Minimum Amount*

Conversion Price Means either:

- (i) 1.25 multiplied by the price a Company Share is issued under the First Equity Raising; or
- (ii) 1.25 multiplied by a price a Company Share is issued under a Subsequent Lower Priced Equity Raising (if any).

The financial liability has been accounted for as a derivative financial liability with an embedded derivative feature (the **Embedded Derivative**).

Measurement

The instrument was initially valued as the total fair value of the embedded derivative and host debt contract at issue date, resulting in the following impact to the Financial Statements during the year ended 30 June 2021.

	Initial Valuation	30 June 2021
	\$	\$
Embedded derivative – financial liability at fair value through profit/loss	(6,988)	(4,328)
Deferred Gain on Convertible note	(142,951)	(142,951)
Host debt contract – financial liability at amortised cost [^]	(790,061)	(842,573)
Total value of Convertible Note on Balance Sheet	(940,000)	(989,852)

[^] The host debt contract implicit interest rate is 14.07%.

(b) Contingent Consideration

As part of the accounting for the acquisition of Boromo (completed in August 2019), contingent consideration with an estimated fair value of \$730,955 was recognised as a current liability at the acquisition date. During the year ended 30 June 2020, the first performance milestone was met, with \$557,458 transferred to Issued Capital. The remaining contingent consideration was remeasured to \$146,333 as at 30 June 2020. The remaining contingent consideration was remeasured to \$209,047 at the current reporting date.

	30 Jun 2021	30 Jun 2020
	\$	\$
Opening Balance	146,333	-
Performance rights issued during the period	-	730,955
Conversion of performance rights (refer note 15)	-	(557,458)
Gain / (loss) on revaluation	62,714	(27,164)
Closing Balance	209,047	146,333

15. ISSUED CAPITAL

	30 Jun 2021	30 Jun 2020
	\$	\$
Ordinary shares issued and fully paid	45,957,349	1,200,415,742

(a) Movements in issued capital

	Note	30 June 2021		30 June 2020	
		No.	\$	No.	\$
Balance at beginning of year		1,200,415,742	42,347,662	314,540,609	35,136,180
Placement A	(i)	137,303,518	823,820	229,363,148	1,281,688
Placement B	(ii)	500,000,000	3,000,000	-	-
ESP share buy-back and cancellation	(iii)	(3,081,250)	-	-	-
ESP share buy-back and cancellation	(iv)	(2,256,250)	-	-	-
Boromo acquisition	(v)	-	-	289,297,910	2,875,715
Placement	(vi)	-	-	220,300,000	2,126,999
ESP share issue	(vii)	-	-	15,500,000	-
Shares issued to advisers and consultants	(viii)	-	-	4,500,000	45,000
ESP share buy-back and cancellation	(ix)	-	-	(6,425,357)	-
Conversion of performance rights	(x)	-	-	69,682,290	557,458
ESP share buy-back and cancellation	(xi)	-	-	(3,342,858)	-
Placement	(xii)	-	-	67,000,000	324,622
Costs of capital raising		-	(214,134)	-	-
Balance at end of year	(xiii)	1,832,381,760	45,957,349	1,200,415,742	42,347,662

- (i) As announced 16 June 2020, Arrow received commitments from sophisticated investors to raise \$2,200,000 pursuant to a placement of up to 366,666,666 fully paid ordinary shares in the Company at an issue price of 0.6 cents per Share (**Placement A**). Placement C was completed in two tranches as follows:
- Tranche 1 – 229,363,148 Placement C shares which were issued on 24 June 2020; and
 - Tranche 2 – 137,303,518 Placement C shares which were issued on 27 August 2020, following receipt of shareholder approval.
- (ii) As announced 4 May 2021, Arrow received commitments from sophisticated investors to raise \$3,000,000 pursuant to a placement of 500,000,000 Shares at an issue price of 0.6 cents per Share (Placement B). Placement B was 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 on 22 June 2021.
- (iii) On 17 September 2020, the Company bought back, for no consideration, 3,081,250 shares previously issued under the ESP in accordance with the terms of the ESP plan.
- (iv) On 13 January 2021, the Company bought back, for no consideration, 2,256,250 shares previously issued under the ESP in accordance with the terms of the ESP plan.
- (v) On 26 August 2019, Arrow completed the acquisition of Boromo Gold Limited (**Boromo**), via the issue of 289,297,910 ordinary shares, being 10 Arrow shares for each Boromo share, and 209,046,880 Arrow performance rights (**PR**), being 10 Arrow PR for each Boromo PR (**Boromo Acquisition**).
- (vi) In conjunction with the acquisition of Boromo, Arrow completed a placement to raise \$2.1 million at an issue price of 1¢ per share plus a 1 for 2 attaching unlisted options (ex. Price 2¢, expiry 22 August 2022), resulting in the issue of 220,300,000 ordinary shares and 120,150,000 unlisted options. As part of this placement, Arrow entered into a strategic alliance with Capital Drilling Limited (**LON: CAPD**) (**Capital Drilling**) who subscribed for \$0.8 million of shares in the placement A (approx. 10% of Arrow's issued capital at the time of the transaction). Capital Drilling are providing drilling services to Arrow in Burkina Faso over an initial two-year period.
- (vii) On 15 August 2019, a total of 15,500,000 Shares were granted pursuant to the Company's ESP. Refer note 21.
- (viii) On 22 August 2019, the Company issued 3,000,000 shares to an adviser in respect of services rendered in respect of a placement complete during the period, and 1,500,000 shares to a consultant for the provision of accounting services. The fair value of the shares has been determined in relation to the market share price on the date of issue of \$0.01 per share.
- (ix) On 15 October 2019, the Company bought back, for no consideration, 6,425,357 shares previously issued under the ESP in accordance with the terms of the ESP plan.
- (x) On 30 December 2019, the 69,682,290 Class A Performance Rights held by GenGold Resource Capital Pty Ltd (a director-related entity of whom Tommy McKeith is a major shareholder) (**Gengold**), were converted to shares upon satisfaction of the performance condition; being discovery of at least two mineralised drill hole intercepts with a gold grade times length weighted average in excess of 25 grams per tonne, using a weighted average gold cut-off of 0.5g/t, located on the Tenements on or before 26 August 2022.

- (xi) On 12 March 2020, the Company bought back, for no consideration, 3,342,858 shares previously issued under the ESP in accordance with the terms of the ESP plan.
- (xii) Arrow completed a two-tranche placement to raise \$335,000 via the issue of 67,000,000 fully paid ordinary shares in the Company at an issue price of 0.5¢ per Share. 54,000,000 of the placement shares were issued on 2 April 2020, and 13,000,000 shares (being those subscribed for by Directors of the Company) were issued on 8 June 2020, following receipt of shareholder approval.
- (xiii) Included in the total 1,832,381,760 shares on issue at 30 June 2021 are 19,450,000 ESP shares, of which 10,075,000 ESP shares have vested and 9,375,000 remain unvested. The ESP shares remain subject to restriction pursuant to the terms under which they have been issued.

Terms and conditions of ordinary shares

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

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

(b) Unexpired share options

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

Expiry Date	Exercise Price (\$)	Number
22/08/2023	0.0145	37,500,000
15/10/2022	0.0125	10,000,000
22/08/2022	0.0200	120,150,000
11/12/2023	0.010	2,850,000
		170,500,000
		No.
<i>Movements:</i>		
Options outstanding at 1 July 2019		134,018,602
Granted		167,650,000
Expired		(134,018,602)
Options outstanding at 30 June 2020		167,650,000
Granted (under ESIP)		3,550,000
Lapsed		(700,000)
Options outstanding at 30 June 2021		170,500,000

(c) Performance rights

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

Class	Expiry Date	No.
Class B ¹	26/08/2022	69,682,290
Class C ²	26/08/2023	69,682,300
		139,364,590

¹ Class B Performance Rights Milestone: Announcement by Arrow of a JORC 2012 compliant Inferred, Indicated and Measured Resource collectively of at least 500,000oz of gold located on the Tenements on or before the date that is 3 years after Settlement.

² Class C Performance Rights Milestone: Announcement by Arrow of a JORC 2012 compliant Inferred, Indicated and Measured Resource collectively of at least 1,000,000oz of gold located on the Tenements on or before the date that is 4 years after Settlement.

<i>Movements:</i>	<u>No.</u>
Performance rights outstanding as at 1 July 2019	-
Granted	209,046,880
Converted to shares (refer note 15)	(69,682,290)
Performance rights outstanding at 30 June 2020	139,364,590
-	-
Performance rights outstanding at 30 June 2021	139,364,590

16. RESERVES

	<u>2021</u>	<u>2020</u>
	\$	\$
Share-based payment reserve (Shares) (a)	2,071,531	2,066,964
Share-based payment reserve (Options) (b)	818,914	813,104
Foreign currency reserve (c)	(5,464)	(6,391)
	<u>2,884,981</u>	<u>2,873,677</u>

- (a) The share-based payment reserve (shares) relates to shares granted by the Company to its employees. The 2021 movement relates to the share-based payments expense recognised during the year in respect of the ESP.
- (b) The share-based payment reserve (options) relates to options granted by the Company to its employees and suppliers. The 2021 movement relates to the share-based payments expense recognised during the year in respect of the ESIP.
- (c) Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

17. LOSS PER SHARE

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

	Unit	2021	2020
Weighted average number of shares	No.	1,362,539,790	816,308,901
(Loss) used in calculation of basic and diluted loss per share	\$	(2,678,461)	(6,993,446)
Basic and diluted (loss) per share:	cents	(0.197)	(0.857)

18. CONTINGENT ASSETS AND LIABILITIES*Contingent Assets*

In March 2021, the Company notified its joint venture partner IGO of its election to convert its 10% contributing interest in the Plumridge Nickel and Gold Project to a 1% Net Smelter Return.

Contingent Liabilities

The Group, through its wholly owned subsidiary GenGold Resources Burkina (**GRB**), has granted a royalty deed to pay US \$4 per ounce for every ounce of gold produced from the Divole East, Divole West, Nako, Konkaira and Fofora tenements held by Gold Square Resources SASU (**GSR**) up to a maximum of US\$1,000,000.

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

19. COMMITMENTS*Exploration & evaluation commitments*

The Group has certain minimum obligations in pursuance of the terms and conditions of tenement licences in the forthcoming year. Whilst these obligations are capable of being varied from time to time, in order to maintain current rights of tenure to mining tenements, the Group will be required to outlay \$741,552 in 2021/22 (2020/21: \$855,250). Exploration commitments does not include requirements under earn-in arrangements for tenements held by other entities, as the Company is not currently obligated to spend under these arrangements, and further commitment to spend is subject to exploration results, the outcome of which is not certain.

The expenditure commitment for the Group for later than 2 years but not later than 5 years is uncertain as the tenements require re-application prior to this date of which the outcome is not certain.

	2021	2020
	\$	\$
Up to 1 year	741,552	855,250
Between 1 and 5 years	340,632	2,878,428
Later than 5 years	-	-
	1,082,184	3,733,678

20. RELATED PARTY & KEY MANAGEMENT PERSONNEL DISCLOSURES**(a) Parent and subsidiaries**

The parent entity and the ultimate parent entity of the Group is Arrow Minerals Limited, a company listed on the Australian Securities Exchange. The components of the Group are:

	Incorporated	Extent of control	
		2021	2020
<i>Parent</i>			
Arrow Minerals Limited	Australia	-	-
<i>Controlled entities</i>			
Boromo Gold Pty Ltd	Australia	100%	100%
Gengold Resources Burkina	Cayman Islands	100%	100%
Gold Square Resources SASU	Burkina Faso	100%	100%
Black Star Resources Africa SASU	Burkina Faso	100%	100%
Farafina Resources SASU	Burkina Faso	100%	100%
Fofora Resources SASU	Burkina Faso	100%	100%
Arrow (Strickland) Pty Ltd	Australia	100%	100%
Arrow (Leasing) Pty Ltd	Australia	100%	100%
Arrow (Malinda) Pty Ltd	Australia	100%	100%
Arrow (Deralinya) Pty Ltd	Australia	100%	100%
Arrow (Plumridge) Pty Ltd	Australia	100%	100%
Arrow (Pardoo) Limited	Australia	100%	100%
Edurus Resources SA	South Africa	100%	100%

(b) Key management personnel disclosures

The key management personnel compensation includes employee benefits and director compensation expenses as follows:

	2021	2020
	\$	\$
Short-term employee benefits	391,500	537,677
Termination benefits	-	318,545
Post-employment benefits	32,633	50,400
Annual leave	26,124	-
Long service leave	-	50,245
Equity compensation benefits	7,252	89,967
	457,509	1,046,834

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

(c) Transactions with key management personnel

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

During the year, an amount of \$22,665 (2020: \$14,229) was paid or payable in relation to these services. An amount of \$682 (2020: nil) is payable at year end.

The Company entered into a service agreement with GenGold Resources Capital Pty Ltd (GenGold) effective 1 September 2019 for the hire of minor exploration equipment. Mr McKeith is a related party of GenGold. During the year, an amount of \$9,000 (2020: \$6,750) was paid or payable in relation to this equipment. An amount of \$750 (2020: \$750) is payable at year end.

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

21. SHARE-BASED PAYMENTS EXPENSE

(a) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	2021	2020
	\$	\$
Options – Employee Securities Incentive Plan (ESIP) (b)	5,810	-
Options issued to consultants	-	64,631
Options issued to capital raising advisers	-	225,736
Shares – Employee Share Plan (ESP) (d)	4,567	109,907
	10,377	400,274

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

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

(b) Employee Securities Incentive Plan (ESIP)

Relates to securities issued to employees pursuant to the Company's Employee Securities Incentive Plan (ESIP). The ESIP was approved by shareholders on 11 November 2019.

During the year, the Company issued 3,550,000 unlisted options exercisable at \$0.01 expiring 11 December 2023 (ESIP Options) pursuant to the ESIP. This issue represents the first issue of securities under this plan.

The ESIP Options were valued by applying a Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model for the options:

	ESIP Options
Dividend yield (%)	Nil
Expected volatility (%)	159.78%
Risk free interest rate (%)	0.23%
Exercise price (\$)	\$0.01
Marketability discount (%)	52.87%
Expected life of options (years)	3
Share price at grant date (\$)	\$0.007
Value per option (\$)	\$0.0037

A total of 700,000 ESIP Options lapsed on 31 March 2021 pursuant to the terms of their issue.

There were nil securities issued pursuant to the ESIP in the year ended 30 June 2020.

(c) Options

Overview of options:

The Group provides benefits to employees, contractors and consultants of the Group in the form of share-based payment transactions, whereby employees, contractors and consultants render services in exchange for options to acquire ordinary shares.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights. Set out below is a summary of the options granted (being those the subject of share-based payments).

	2021	2021	2020	2020
	No. Options	WAEP	No. Options	WAEP
Outstanding at the beginning of the year	167,650,000	0.0183	134,018,602	0.0971
Granted	3,550,000	0.0100	167,650,000	0.0183
Exercised	-	-	-	-
Lapsed / expired	(700,000)	0.0100	(134,018,602)	0.0971
Outstanding at end of the year	170,500,000	0.0182	167,650,000	0.0183
Exercisable at end of the year	170,500,000	0.0182	167,650,000	0.0183

Additional information:

There were nil unlisted options exercised during the year (2020: nil).

Unlisted options outstanding at 30 June 2021 had a weighted average exercise price of \$0.0182 (2020: \$0.0184) and a weighted average remaining contractual life of 509 days (2020: 786 days).

The weighted average fair value of options granted during the year was \$0.0037 (2020: \$0.0017) per option.

(d) Employee Share Plan (ESP)

(i) Overview of ESP:

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

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

Movements in ESP shares during the year ended 30 June 2021 is summarised as follows:

Category	Issue Date	Issue Price	Opening balance 1 July 2020	Issued	Vested	Cancelled	Closing balance 30 June 2021	
		\$ / Share	No.	No.	No.	No.	Total No.	Vested No.
ESP – 2017	1/12/2017	\$0.03000	3,087,500	-	-	(3,087,500)	-	-
ESP – 2018	22/11/2018	\$0.01485	6,200,000	-	-	(1,500,000)	4,700,000	700,000
ESP – 2019	19/08/2019	\$0.01379	15,500,000	-	-	(750,000)	14,750,000	9,375,000
Total			24,787,500	-	-	(5,337,500)	19,450,000	10,075,000

Movements in ESP shares during the year ended 30 June 2020 is summarised as follows:

Category	Issue Date	Issue Price	Opening balance 1 July 2019	Issued	Vested	Cancelled	Closing balance 30 June 2020	
		\$ / Share	No.	No.	No.	No.	Total No.	Vested No.
ESP – 2016	19/10/2016	\$0.03000	3,985,715	-	-	(3,985,715)	-	-
ESP – 2017	1/12/2017	\$0.03000	6,070,000	-	-	(2,982,500)	3,087,500	2,356,250
ESP – 2018	22/11/2018	\$0.01485	9,000,000	-	4,225,000 ¹	(2,800,000)	6,200,000	5,775,000
ESP – 2019	19/08/2019	\$0.01379	-	15,500,000	3,875,000 ²	-	15,500,000	3,875,000
Total			19,055,715	15,500,000	8,100,000	(9,768,215)	24,787,500	12,066,250

¹ Weighted average market share price at date of vesting was \$0.009.

² Weighted average market share price at date of vesting was \$0.008.

(ii) Valuation of ESP shares:

Although these are shares for legal and taxation purposes, Accounting Standards require they be treated as options for accounting purposes. ESP shares are valued applying a Black Scholes model, using inputs for the relevant milestones. Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility. There were no ESP shares issued during the year ended 30 June 2021. Valuation of ESP shares issued during the year ended 30 June 2020:

	ESP – 2019	
	Milestones 1-5	Milestone 6
Number of Plan Shares	11,625,000	3,875,000
Grant date	15/08/2019	15/08/2019
Underlying share price	\$0.01400	\$0.01400
Exercise price	\$0.01426	\$0.01426
Expected volatility	108.21%	108.98%
Expiry date (years)	3	1
Expected dividends	Nil	Nil
Risk free rate	0.67%	0.72%
Value per share	\$0.0092	\$0.0066

(iii) Milestones attached to the ESP shares on issue at 30 June 2021 are as follows:

ESP – 2019 Milestones	Status
1 Discovery of a mineralised prospect with multiple drill intersections of at least 25 gram metres gold (e.g. two separate drill intersections of 10 metres @ 2.5g/t Au), or gold equivalent.	Achieved on 19 December 2019
2 Discovery of multiple mineralised prospects as defined in Milestone 1.	Not achieved
3 Announce a JORC-compliant resource of 500,000oz of gold at a minimum grade of 1.0g/t Au (or equivalent for other metals).	Not achieved
4 Combined capital raising of \$2 million through a combination of either equity issues at an average issue price at least 75% of the 15-day VWAP prior to each issue and/or proceeds from asset sales (or farm-out joint ventures).	Achieved on 19 August 2020
5 Total shareholder return over any 12-month period exceeding +50%.	Not achieved
6 Continue to be an employee or Director of AMD until 31 December 2020.	Achieved on 31 December 2020

The achievement of up to four (maximum) of the six milestones listed above will result in 100% of the shares vesting, with 25% of the shares vesting upon the achievement of a milestone. As at 30 June 2021, three of the milestones has been achieved. During the year ended 30 June 2021, the Company bought back, for no consideration, a total of 750,000 shares, including vested and unvested 2019 ESP shares in accordance with the terms of the ESP plan.

ESP – 2018 Milestones	Status
1 Discovery of a mineralised prospect with multiple drill intersections of at least 15 gram metres gold (e.g. two separate drill intersections of 5 metres @ 3g/t Au), or gold equivalent.	Achieved 22 November 2018
2 Discovery of multiple mineralised prospects as defined in Milestone 1.	Achieved 19 December 2019
3 Announce a JORC-compliant resource of 100,000oz of gold at a minimum grade of 1.0g/t Au (or equivalent for other metals).	Not achieved
4 Combined capital raising of \$2 million through a combination of either equity issues at an average issue price at least 75% of the 15-day VWAP prior to each issue and/or proceeds from asset sales (or farm-out joint ventures).	Achieved 22 August 2019
5 Total shareholder return over any 12-month period exceeding +25%.	Not achieved
6 Continue to be an employee or Director of AMD until 31 December 2019	Achieved 31 December 2019

The achievement of up to four (maximum) of the six milestones listed above will result in 100% of the shares vesting, with 25% of the shares vesting upon the achievement of a milestone. As at 30 June 2021, 4 milestones have been achieved. During the year ended 30 June 2021, the Company bought back, for no consideration, a total of 1,500,000 shares, including vested and unvested 2018 ESP shares in accordance with the terms of the ESP plan.

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

22. OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board in assessing performance and determining the allocation of resources. The Group operates in two segments in the current year, being mineral exploration, and evaluation in Western Australia and Burkina Faso. The Company is domiciled in Australia. Segment revenues are allocated based on the country in which revenue was earned. Segment assets are allocated to the country where the assets are located.

	Australia	Burkina Faso	Consolidated
	\$	\$	\$
Year Ended 30 June 2021			
Revenue	-	-	-
Other income	539,928	-	539,928
Total segment revenue	539,928	-	539,928
Total comprehensive (loss) from continuing operations before tax	(2,214,155)	(464,306)	(2,678,461)
As at 30 June 2021			
Segment assets	6,531,608	6,768,202	13,299,810
Total assets of the Group			13,299,810
Segment liabilities	1,681,806	66,864	1,748,700
Total liabilities of the Group			1,748,700
Year Ended 30 June 2020			
Revenue	593,208	-	593,208
Other income	2,973	1	2,974
Total segment revenue	596,181	1	596,182
Total comprehensive (loss) from continuing operations before tax	(6,763,524)	(229,922)	(6,993,446)
As at 30 June 2020			
Segment assets	5,887,609	5,315,038	11,202,647
Total assets of the Group			11,202,647
Segment liabilities	486,461	107,606	594,067
Total liabilities of the Group			594,067

23. FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk
- liquidity risk
- market risk

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

(a) Credit risk

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

Substantial cash balances are held with recognised institutions with credit rating A-3 or above as a way of limiting the exposure to credit risk. There are no formal credit approval processes in place.

Exposure to credit risk

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

	2021	2020
	\$	\$
Cash and cash equivalents	3,283,858	1,485,933
Trade and other receivables – rental bond	71,786	37,144
	3,355,644	1,523,077

Financial assets are neither past due nor impaired.

(b) Liquidity risk

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

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

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

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

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

	Carrying Amount	Up to 6 months	6-12 months	1-2 years	2-3 years
2021	\$	\$	\$	\$	\$
Cash and cash equivalents	3,283,858	3,283,858	-	-	-
Trade and other receivables	71,786	71,786	-	-	-
Lease liabilities	(43,341)	(7,950)	(7,922)	(16,481)	(14,990)
Trade and other payables	(321,968)	(321,968)	-	-	-
Convertible note liability	(989,852)	(40,110)	(39,890)	(80,000)	(1,080,000)
	2,000,483	2,985,616	(47,812)	(96,481)	(1,094,990)

	Carrying Amount	Up to 6 months	6-12 months	1-2 years	2-3 years
2020	\$	\$	\$	\$	\$
Cash and cash equivalents	1,485,933	1,485,933	-	-	-
Trade and other receivables	37,144	37,144	-	-	-
Other financial assets	324,714	324,714	-	-	-
Lease liabilities	(69,867)	(40,022)	(29,845)	-	-
Trade and other payables	(230,064)	(230,064)	-	-	-
	1,547,860	1,577,705	(29,845)	-	-

The maturity profile disclosed are the contractual undiscounted cash flows.

(c) Market risk

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

Foreign currency risk:

The Group is exposed to foreign exchange risk through funding of exploration activities in Africa in Central African Francs (pegged to the EUR) and USD denominated drilling prepayment to Capital Drilling Inc. The exposure of these investments is demonstrated within the following table showing the impact of reasonably possible changes in foreign exchange rates, with all other variables constant, on the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Judgements of reasonably possible movements between the USD / CAD / XOF and Australian dollar	Effect on Post Tax Loss (\$) Increase/(decrease)		Effect on Equity (\$) Increase/(decrease)	
	2021	2020	2021	2020
Increase 10% (USD / AUD)	(953)	(30,957)	953	30,957
Decrease 10% (USD / AUD)	953	30,957	(953)	(30,957)
Increase 10% (XOF / AUD)	n/a	n/a	7,409	12,278
Decrease 10% (XOF / AUD)	n/a	n/a	(7,409)	(12,278)
Increase 10% (CAD / AUD)	n/a	(5,223)	n/a	5,223
Decrease 10% (CAD / AUD)	n/a	5,223	n/a	(5,223)

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

Interest rate risk:

Exposure to interest rate risk

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

	Range of effective interest rate	Carrying amount	Variable interest rate	Fixed interest rate	Total
	%	\$	\$	\$	\$
2021					
Financial Assets – Current					
Cash and cash equivalents	0 - 2.2	3,283,858	3,283,858	-	3,283,858
Financial Liabilities – Current					
Lease liabilities	6.47	13,666	-	13,666	13,666
Financial Liabilities – Non-Current					
Lease liabilities	6.47	29,675	-	29,675	29,675
2020					
Financial Assets – Current					
Cash and cash equivalents	0 - 2.2	1,485,933	1,485,933	-	1,485,933
Financial Liabilities – Current					
Interest bearing liabilities	7.95	33,329	-	33,329	33,329
Lease liabilities	6.47	69,867	-	69,867	69,867

The Group holds the majority of its cash and cash equivalents within a current account attracting a weighted interest rate of 0.08% pa (2020: 0.4% pa).

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

	Interest rate risk				
	Carrying amount	+100 bps		-100 bps	
		Profit	Equity	Profit	Equity
	\$	\$	\$	\$	\$
2021					
Cash and cash equivalents	3,283,858	32,839	(32,839)	(32,839)	32,839
2020					
Cash and cash equivalents	1,485,933	14,859	(14,859)	(14,859)	14,859

Fair value of financial instruments

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

	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Cash and cash equivalents	3,283,858	3,283,858	1,485,933	1,485,933
Trade and other receivables	71,786	71,786	37,144	37,144
Other financial assets	-	-	324,714	324,714
Lease liabilities	(43,341)	(43,341)	(69,867)	(69,867)
Trade and other payables	(321,968)	(321,968)	(230,064)	(230,064)
Convertible note liability	(989,852)	(989,852)	-	-
	2,000,483	2,000,483	1,547,860	1,547,860

The Directors consider the carrying amount of the financial instruments (including cash and cash equivalents, trade and other receivables, and other financial assets) to be a reasonable approximation of their fair value on account of the short maturity cycle. The Directors consider the carrying amount of the financial instruments (including lease liabilities, trade and other payables, and convertible note liability) to be a reasonable approximation of their fair value due to the current market low cash rate approximately 0.10% at 30 June 2021.

Fair value hierarchy

AASB 13: Fair Value Measurement requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs)

Applicable for year ended 30 June 2021:

The Group's convertible notes embedded derivative component is not traded on an active market. The fair value is based on significant observable inputs (level 3) at the end of the reporting period. These instruments are included in level 3. The significant observable inputs used includes the historical volatility rate, and interest rate.

The fair value of the Group's contingent consideration is measured using management's weighted probability of performance milestones being achieved (refer note 15(c) for performance milestones attaching the Performance Rights). These instruments are included in level 3.

Applicable for year ended 30 June 2020:

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

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

			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Date of valuation	Total \$	\$	\$	\$
2021					
Liabilities measured at fair value:					
Convertible notes embedded derivative	30-Jun-21	4,328	-	-	4,328
Contingent consideration	30-Jun-21	209,047	-	-	209,047 ¹
2020					
	Date of valuation	Total \$	Quoted prices in active markets (Level 1) \$	Significant observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$
Assets measured at fair value:					
Shares in Listed Companies	30-Jun-20	272,480	272,480	-	-
Unquoted Warrants in Listed Companies	30-Jun-20	52,234	-	52,234	-
Liabilities measured at fair value:					
Convertible notes embedded derivative	n/a	-	-	-	-
Contingent consideration	30-Jun-20	146,333	-	-	146,333

¹ Refer note 14(b) for details of movement in Level 3 instrument (contingent consideration).

(d) Capital management policy

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

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

24. PARENT ENTITY INFORMATION**(a) Financial Position**

	2021	2020
	\$	\$
ASSETS		
Current assets	3,283,480	2,180,450
Non-current assets	9,949,435	8,680,903
TOTAL ASSETS	13,232,915	10,861,353
LIABILITIES		
Current liabilities	453,231	340,127
Non-current liabilities	1,228,574	146,333
TOTAL LIABILITIES	1,681,805	486,460
NET ASSETS	11,551,110	10,374,893
EQUITY		
Issued capital	45,957,349	42,347,662
Reserves	2,890,445	2,880,068
Accumulated losses	(37,296,684)	(34,852,837)
TOTAL EQUITY	11,551,110	10,374,893

(b) Statement of Comprehensive Income

	2021	2020
	\$	\$
(Loss) for the year	(2,443,847)	(6,763,524)
Other comprehensive income	-	-
Total comprehensive (loss)	(2,443,847)	(6,763,524)

(c) Commitments

Parent entity commitments are as disclosed within note 19.

(d) Contingent assets / liabilities

The parent entity does not have any contingent assets or contingent liabilities.

25. SUBSEQUENT EVENTS*Director Appointment*

On 5 July 2021, Mr Hugh Bresser was appointed as an Executive Director and serves the Company in the role of Technical Director.

Malinda Lithium Project

As announced on 23 August 2021, the Company signed a binding term sheet that sets out terms for an earn-in agreement with Electrostate Pty Ltd (**Electrostate**) wherein Electrostate may earn up to 85% of Arrow's Malinda lithium project in Western Australia.

Employee Share Plan

On 30 July 2021, the Company bought back, for no consideration, 6,250,000 shares previously issued under the ESP.

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

26. AUDITOR REMUNERATION

	30 Jun 2021	30 Jun 2020
	\$	\$
Auditors' remuneration - for audit or review of financial report		
Pitcher Partners BA&A Pty Ltd	38,389	32,250
BDO Audit (WA) Pty Ltd	-	3,000
	<u>38,839</u>	<u>35,250</u>
Auditors' remuneration - for other services		
Pitcher Partners (WA) Pty Ltd – Taxation ¹	<u>24,171</u>	<u>23,835¹</u>

¹ Includes \$13,000 for tax advice related to Burkina Faso obligations and liabilities.

DIRECTORS' DECLARATION

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

In the opinion of the Directors:

1. The consolidated financial statements and accompanying notes are in accordance with the *Corporations Act 2001*, including:
 - a) giving a true and fair view of the Group's financial position at 30 June 2021 and of its performance for the year ended on that date; and
 - b) complying with Accounting Standards and *Corporations Regulations 2001*; and
2. Subject to the matters described in note 1(b), there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
3. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.
4. The consolidated financial statements and notes are also in compliance with International Financial Reporting Standards as disclosed in note 1(a).

On behalf of the Board



Howard Golden
Managing Director

Perth, 22 September 2021

ARROW MINERALS LIMITED
ABN 49 112 609 846INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ARROW MINERALS LIMITED**Report on the Audit of the Financial Report***Opinion*

We have audited the financial report of Arrow Minerals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) to the financial report which indicates that the Group incurred a net loss of \$2,678,461 during the year ended 30 June 2021 (2020: loss of \$6,993,446) and had cash and cash equivalents of \$3,283,858 (2020: \$1,485,933). These conditions, along with other matters as set forth in Note 1(b), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying value of exploration and evaluation assets</p>	
<p><i>Refer to Note 1(o) & 9</i></p>	
<p>As disclosed in Note 9 of the financial report, as at 30 June 2021, the Group held capitalised exploration and evaluation assets of \$9,799,067.</p> <p>The carrying value of exploration and evaluation assets is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation assets may exceed its recoverable amount.</p> <p>The determination as to whether there are any indicators to require an exploration and evaluation assets to be assessed for impairment, involves a number of management judgments including but not limited to:</p> <ul style="list-style-type: none"> • Whether the Group has tenure of the tenements; • Whether the Group has sufficient funds to meet the tenement minimum expenditure requirements; • Whether there is sufficient information for a decision to be made that the area of interest is not commercially viable; and • Whether the valuation methodology to determine the value of the tenements are appropriately selected by the Group. 	<p>Our procedures included, amongst others:</p> <p>Obtaining an understanding of and evaluating the design and implementation of the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators.</p> <p>Examining the Group's right to explore in the relevant area of interest, which included obtaining and assessing supporting documentation. We also considered the status of the exploration licences as it related to tenure and whether the minimum expenditure of the tenements has been met.</p> <p>Evaluating the appropriateness of the valuation methodology selected by the Group to determine the fair value less costs to sell of the Melinda Lithium area of Interest to accepted market practices, our industry experience and the requirements of AASB 136 <i>Impairment of Assets</i>.</p> <p>Considering and reviewing the Group's intention and capacity to carry out significant exploration and evaluation activity, including but not limited to the minimum expenditure requirements, in the relevant area of interest, including assessing the Group's cash-flow forecast models, discussions with management and directors as to the intentions and strategy of the Group.</p> <p>Reviewing management's evaluation and judgement as to whether the exploration activities within each relevant area of interest have reached a stage where the commercial viability of extracting the resource could be determined.</p> <p>Assessing the adequacy of the disclosures included within the financial report.</p>

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**INDEPENDENT AUDITOR'S REPORT
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Share Based Payments

Refer to Note 1(U) & 21

Share based payments represent \$10,377 of the Group's expenditure.

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

Under Australian Accounting Standards, equity settled awards are measured at fair value on the measurement date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions.

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

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

As a result of the share based payments relating to employees and Key Management Personnel and the level of management judgment involved in determining the valuation of the share based payments, we consider the Group's calculation of the share based payment expense to be a key audit matter.

Our procedures included, amongst others:

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

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

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

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

Convertible note

Refer to Note 1 (I) & 14

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On 26 August 2020, the Company issued 1,000,000 unsecured convertible notes ("convertible note") at A\$1.00 each, raising \$1,000,000 ("Principal Amount") (before costs of \$60,000). The convertible note have a 48 months Maturity Date, unless converted prior. Conversion can occur at any time up to the Maturity Date, unless redeemed prior through a Change in Control of the Company or by an Event of Default.

Under accounting standards AASB 9 *Financial Instruments* ("AASB 9"), the convertible note is valued as a financial liability ("Host Debt") with an embedded derivative feature ("Embedded derivative"), being the conversion feature based on the lower of 0.75 cents and 1.25 times the prevailing price of shares (Subsequent Equity Raising), resulting in a variable number of shares. AASB 9 requires the separation of the value of the Embedded derivative from the value of the financial liability.

In valuing the convertible note, the Company has assumed the following:

- nil probability of default; and
- term of four years, in other words, no value has been placed on the contractual right held by the Company to repay the Principal Amount at or after three years.

Due to the significance to the Group's financial report and the level of judgment involved in the accounting for the convertible note, we consider this to be a key audit matter.

Our procedures included, amongst others:

Reading the convertible note deed to understand key terms and conditions.

Obtaining an understanding of the relevant controls and evaluating the design and implementation of the controls associated with the preparation of the significant inputs used for the convertible note calculation.

Critically evaluating and challenging the methodology and assumptions of management in their preparation of convertible note calculation, including management's assessment of likelihood of Event of Default, agreeing significant inputs used to internal and external sources of information as appropriate.

Assessing the Group's accounting policy as set out within Note 1(l) for compliance with the requirements of AASB 9.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

**ARROW MINERALS LIMITED
ABN 49 112 609 846**

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

ARROW MINERALS LIMITED
ABN 49 112 609 846INDEPENDENT AUDITOR'S REPORT
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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021. In our opinion, the Remuneration Report of Arrow Minerals Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



PITCHER PARTNERS BA&A PTY LTD



J C PALMER
Executive Director
Perth, 22 September 2021

ADDITIONAL INFORMATION

Shareholder Information

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

Information as at 18 August 2021:

1. Shares on Issue

Total number of issued fully paid ordinary shares is 1,826,131,760.

2. Distribution of Holders

Spread	No. of Holders	No. of Shares	% Issued Capital
1 – 1,000	90	10,651	0.00%
1,001 – 5,000	84	233,511	0.01%
5,001 – 10,000	79	596,188	0.03%
10,001 – 100,000	907	42,646,173	2.34%
>10,000	1,011	1,782,645,237	97.62%
Total	2,171	1,826,131,760	100%

3. Unmarketable Parcels

The number of holders of less than a marketable parcel of fully paid shares is 1,012.

4. Substantial Shareholders

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

Name	Number of Shares Held	Percentage Held
GenGold Resource Capital Pty Ltd	131,166,670	7.18%

5. Restricted Securities

There are 13,200,000 shares currently on issue subject to voluntary escrow.

6. Voting Rights

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

Ordinary Shares

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

Options

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

7. On-market Buy-Back

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

8. Top 20 Holders – Ordinary Shares

Rank	Name	Units	% of Units on issue
1	GENGOLD RESOURCE CAPITAL PTY LTD	131,166,670	7.18
2	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	45,833,334	2.51
3	CAPE YORK NOMINEES PTY LTD	41,666,667	2.28
4	NASDAQ SECURITIES AUSTRALIA PTY LTD <NASDAQ SECURITIES AUS A/C>	41,666,667	2.28
5	PERTH SELECT SEAFOODS PTY LTD	40,000,000	2.19
6	ZERO NOMINEES PTY LTD	34,482,759	1.89
7	R & K WATSON PTY LTD <R & K WATSON SMSF A/C>	26,924,761	1.47
8	FAIRBROTHER HOLDINGS PTY LTD	25,670,823	1.41
9	BNP PARIBAS NOMINEES PTY LTD	25,359,016	1.39
10	PHILIP & JANET TURNER PTY LTD <TURNER FAMILY S/F A/C>	23,950,000	1.31
11	MR SYED MUSHLEH UDDIN	22,000,000	1.2
12	MISS NICOLA JANE FRASER + MRS PATRICIA KAY FRASER + MISS STACEY MAREE FRASER <G & P FRASER SF A/C>	18,000,000	0.99
13	MR JUSTIN ANTHONY VIRGIN <J VIRGIN T/A STOCKFEED A/C>	17,900,000	0.98
14	EQUITY TRUSTEES LIMITED	16,666,666	0.91
15	AURALANDIA PTY LTD	16,500,000	0.9
16	MR ANDREW CHARLES DUNCAN + MRS MARIA DUNCAN <THE DUNCAN SUPER FUND A/C>	15,266,000	0.84
17	TWIN OAKS SUPER PTY LTD <TWIN OAKS SUPER FUND A/C>	15,016,599	0.82
18	MR BIN LIU	14,583,334	0.8
19	VAN AM MARKETING PTY LTD	14,539,199	0.8
20	APOLLO SURYA HOLDINGS PTY LIMITED <APOLLO SURYA FAMILY A/C>	13,424,746	0.74
Totals: Top 20 holders of Arrow ORDINARY FULLY PAID		600,617,241	32.89
Total Remaining Holders Balance		1,225,514,519	67.11
Total Holders Balance		1,826,131,760	100

9. Unquoted Securities

As at 18 August 2021 the following securities over un-issued shares were on issue:

- 120,150,000 unlisted options exercisable at \$0.02 on or before 22 August 2022
- 10,000,000 unlisted options exercisable at \$0.0125 on or before 15 October 2022
- 37,500,000 unlisted options exercisable at \$0.0145 on or before 22 August 2023
- 2,850,000 unlisted options exercisable at \$0.0100 on or before 11 December 2023
- 64,682,290 Class B Performance Rights expiring 26 August 2022
- 64,682,300 Class C Performance Rights expiring 26 August 2023
- 1,000,000 Convertible Notes

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

As at 18 August 2021 the following classes of unquoted securities had holders with greater than 20% of that class on issue as set out below.

	% Interest
Options exercisable at 2.0¢ on or before 22 August 2022	
Capital Di Limited	33.3%
Options exercisable at 1.25¢ on or before 10 October 2022	
Simon Bolster & Roslyn O'Sullivan <Bolster Family A/C>	50.0%
Mr Edward John Baltis	50.0%
Options exercisable at 1.45¢ on or before 22 August 2023	
Zenix Nominees Pty Ltd	96.0%
Options exercisable at 1.00¢ on or before 11 December 2023	
Ulrike Annette Johnstone	31.6%
Ballo Boureima	35.1%
Soro Arouna	21.1%
Class B Performance Rights expiring 26 August 2022	
GenGold Resource Capital Pty Ltd	100%
Class C Performance Rights expiring 26 August 2023	
GenGold Resource Capital Pty Ltd	100%
Convertible Notes	
Budworth Capital Pty Ltd ATF Budworth Capital Trust	42.5%
Seascope Capital Pty Ltd ATF Williams Trading Trust	37.5%

11. Company Secretary

The names of the Joint Company Secretary are Catherine Grant-Edwards and Melissa Chapman.

12. Registered Address

The address of the principal registered office is: Suite 5, 63 Hay Street, Subiaco WA 6008.

13. Registers

The registers of securities are held at the following address:

Advanced Share Registry Service
150 Stirling Highway
Nedlands WA 6009

Tenement Schedule as at 18 August 2021

Tenement ID	Project	Holder	Interest
E09/2169	Malinda	Arrow (Malinda) Pty Ltd	100%
E09/2170	Malinda	Arrow (Malinda) Pty Ltd	100%
E09/2283	Malinda	Arrow (Malinda) Pty Ltd	100%
E16/495	Strickland	Arrow (Strickland) Pty Ltd	100%
E30/493	Strickland	Arrow (Strickland) Pty Ltd	100%
E30/494	Strickland	Arrow (Strickland) Pty Ltd	100%
E77/2416	Strickland	Arrow (Strickland) Pty Ltd	100%
E77/2403	Strickland	Arrow (Strickland) Pty Ltd	100%
E77/2432	Strickland	Arrow (Strickland) Pty Ltd	100%
E77/2634	Strickland	Arrow (Strickland) Pty Ltd	100%
2020-084/MMC/SG/DGCM	Hounde South & Nako	Gold Square Resources Sasu	100%
2020-161/MMC/SG/DGCM	Hounde South & Nako	Gold Square Resources Sasu	100%
2020-162/MMC/SG/DGCM	Hounde South & Nako	Gold Square Resources Sasu	100%
2020-190/MMC/SG/DGCM	Divole East & West	Gold Square Resources Sasu	100%
2020-192/MMC/SG/DGCM	Divole East & West	Gold Square Resources Sasu	100%
2020-193/MMC/SG/DGCM	Divole East & West	Gold Square Resources Sasu	100%
19/047/MMC/SG/DGCM	Divole East & West	Farafina Resources Sasu	100%
18/152/MMC/SG/DGCM	Boulsa	Farafina Resources Sasu	100%
2020-147/MMC/SG/DGCM	Boulsa	Farafina Resources Sasu	100%