
ARROW MINERALS LIMITED

ACN 112 609 846

NOTICE OF GENERAL MEETING

TIME: 10:00am WST

DATE: Friday, 6 April 2018

PLACE: Advanced Share Registry
110 Stirling Hwy
Nedlands WA 6009

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

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

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:00am WST on Friday, 6 April 2018 at:

Advanced Share Registry
110 Stirling Hwy
Nedlands WA 6009

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4pm WST on Wednesday, 4 April 2018.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify

the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

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

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

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ISSUE OF PLACEMENT SECURITIES TO INDEPENDENCE GROUP

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 34,482,759 Shares to raise \$1 million (before costs) and 17,241,380 free attaching Options exercisable at 10¢ on or before 31 December 2019 to Independence Group NL (or its nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person or its nominee who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – TRANCHE 1 PLACEMENT SHARES

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 26,463,792 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – TRANCHE 1 PLACEMENT SHARES

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 18,085,861 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – ISSUE OF TRANCHE 2 PLACEMENT SHARES AND PLACEMENT OPTIONS

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 46,829,670 Shares to raise \$1,358,060 (before costs) and 45,689,661 free attaching Options exercisable at 10¢ on or before 31 December 2019 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO BROKERS

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 15,000,000 Options exercisable at 10¢ on or before 31 December 2019 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – CANCELLATION OF EMPLOYEE SHARE PLAN SHARES IN PART SATISFACTION OF RELATED LOANS – MR STEVEN MICHAEL

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, subject to the passing of resolution 1 at the Special General Meeting, for the purposes of sections 256C(2) and 208 of the Corporations Act, the Constitution, and for all other purposes, approval is given for the Company to make a selective reduction of capital by cancelling a total of 371,429 Shares held by Mr Steven Michael, in satisfaction of \$216,915 of related loans totalling \$329,200 owed to the Company by Mr Michael, with effect from the date 14 days after this Resolution is lodged with ASIC on the terms and conditions set out in Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Steven Michael and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as

proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – CANCELLATION OF EMPLOYEE SHARE PLAN SHARES IN PART SATISFACTION OF RELATED LOANS – DR FRAZER TABEART

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, subject to the passing of resolution 1 at the Special General Meeting, for the purposes of sections 256C(2) and 208 of the Corporations Act, the Constitution, and for all other purposes, approval is given for the Company to make a selective reduction of capital and cancel a total of 283,036 Shares held by Dr Frazer Tabear, in satisfaction of \$138,579 of related loans totalling \$186,338 owing to the Company by Dr Tabear, with effect from the date 14 days after this Resolution is lodged with ASIC on the terms and conditions set out in Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Dr Frazer Tabear and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – CANCELLATION OF EMPLOYEE SHARE PLAN SHARES IN PART SATISFACTION OF RELATED LOANS – MR NICHOLAS CHEN CHIK ONG

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, subject to the passing of resolution 1 at the Special General Meeting, for the purposes of sections 256C(2) and 208 of the Corporations Act, the Constitution, and for all other purposes, approval is given for the Company to make a selective reduction of capital and cancel a total of 147,321 Shares held by Mr Nicholas Chen Chik Ong, in satisfaction of \$97,479 related loans totalling \$137,738 owing to the Company by Mr Ong, with effect from the date 14 days after this Resolution is lodged with ASIC on the terms and conditions set out in Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Nicholas Chen Chik Ong and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – SECTION 195 APPROVAL

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

"That, subject to Resolutions 6 to 8 being passed, for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in Resolutions 6 to 8."

10. RESOLUTION 10 – CANCELLATION OF EMPLOYEE SHARE PLAN SHARES IN PART SATISFACTION OF RELATED LOANS – NON-RELATED PARTIES

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, subject to the passing of resolution 1 at the Special General Meeting, for the purposes of section 256C(2) of the Corporations Act, the Constitution, and for all other purposes, approval is given for the Company to make a selective reduction of capital and cancel a total of 285,357 Shares held by participants in the Employee Share Plan, in satisfaction of \$174,926 of related loans totalling \$296,865 owing to the Company by those participants, with effect from the date 14 days after this Resolution is lodged with ASIC on the terms and conditions set out in Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who is to receive consideration as part of the reduction or whose liability to pay amounts unpaid on Shares is to be reduced, or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 1 March 2018

By order of the Board

**Matthew Foy
Company Secretary**

EXPLANATORY STATEMENT

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

1. RESOLUTION 1 – ISSUE OF PLACEMENT SECURITIES TO INDEPENDENCE GROUP

1.1 Background

On 5 February 2018, the Company announced it had entered into an agreement with ASX-listed nickel and gold producer, Independence Group NL (ASX: IGO) (**IGO**) covering the Plumridge Nickel Project (**Project**) and a cornerstone equity investment in Arrow (**Agreement**).

The key terms of the Agreement are as follows:

- IGO to acquire a 51% interest in the Project for \$1.5 million cash consideration;
- IGO and the Company will enter into a joint venture over the Project, with IGO managing all exploration activities;
- IGO can increase its interest in the Project to 90% through the expenditure of \$5 million over four years;
- IGO can accelerate earning its 90% Project interest by paying Arrow cash equal to the amount remaining for the joint venture earn-in;
- IGO will subscribe for a \$1 million placement in the Company at a price of 2.9¢ per Share comprising 34,482,759 Shares and 17,241,380 free attaching Options exercisable at 10¢ on or before 31 December 2019 (**IGO Placement Securities**), subject to shareholder approval; and
- the IGO Placement Securities will be subject to escrow provisions and IGO will have the right to maintain its strategic equity holding in the Company, subject to regulatory approval.

Full details of the Agreement can be found in the Company's ASX announcement dated 5 February 2018.

On 13 February 2018, the Company announced it had received \$1.5 million from IGO (in consideration for a 51% interest in the Project).

1.2 ASX Listing Rule 7.1

Resolution 1 seeks Shareholder approval for the Company to issue up to 34,482,759 Shares and 17,241,380 Options to Independence Group (or its nominee) at an issue price of 2.9¢ per Share to raise \$1 million.

The effect of the issue of the IGO Placement Securities the subject to Resolution 1 (on an undiluted basis) on the capital structure of the Company is summarised as follows:

Shares	Number	Percentage Interest
Shares currently on issue	225,408,268	73.49%
Shares to be issued to IGO	34,482,759	11.24%
Tranche 2 Placement Shares (refer to Resolution 4)	46,829,670	15.27%
Total Shares upon completion of the issues	306,720,697	100.00%

Options	Number	Percentage Interest
Options exercisable at 10¢ Exp 31/12/2019		
Options currently on issue (AMDOA)	43,147,987	33.58%
Options to be issued to IGO	17,241,380	13.42%
Placement Options (refer to Resolution 4)	45,689,661	35.55%
Sub-total	106,079,028	82.54%
Options exercisable at 12.6¢ Exp 03/08/2018	714,285	0.56%
Options exercisable at 17.5¢ Exp 30/06/2019	8,571,408	6.67%
Options exercisable at 7¢ Exp 31/12/2019	13,146,469	10.23%
Total Options upon completion of the issues		100.00%

In the event IGO exercises its Options by paying to the Company an additional \$1,724,138, IGO's percentage interest in the Company will increase by an additional 5.32% to a total of 15.97% (assuming no other Options are exercised).

ASX Listing Rule 7.1 broadly provides that a company can issue Equity Securities up to 15% of its issued capital in any 12 month period without shareholder approval. Subject to certain exceptions, prior shareholder approval is required for any issue of Equity Securities where the securities proposed to be issued (when aggregated with other Equity Securities issued by the company not under an exception and not with shareholder approval) represent more than 15% of the company's issued capital.

The effect of Shareholders approving Resolution 1 will be to allow the Company to issue the IGO Placement Securities to IGO during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

1.3 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the maximum number of IGO Placement Securities to be issued are 34,482,759 Shares and 17,241,380 Options;
- (b) total consideration for the IGO Placement Securities is \$1 million, equivalent to an issue price of 2.9¢ per Share;
- (c) the issue price of the Options will be nil as they will be issued free attaching to the Shares issued pursuant to the Agreement on the basis of one (1) Option for every two (2) Shares issued;
- (d) the IGO Placement Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of all of the IGO Placement Securities will occur on the same date;
- (e) the Placement Securities will be issued to Independence Group (or its nominee) who is an unrelated party to the Company;

- (f) the Shares 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;
- (g) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (h) funds raised from the issue of the Placement Securities will be used to
- (i) further refine and define gold targets across 50 strike kilometres of soil anomalies at the Company's 100% owned Barlee Gold Project by way of 50,000m of aircore and 15,000-20,000m of RC drilling across the T1, T2, T6 & T8 prospects in 2018;
 - (ii) to complete a detailed drone survey at Malinda Lithium Project to refine targets for 10,000-15,000m of RC drilling in 2018; and
 - (iii) for working capital purposes.

1.4 Director's Recommendation

The Directors unanimously recommend that shareholders approve Resolution 1 to approve the issue of Placement Securities to IGO.

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

2. RESOLUTIONS 2 & 3 - RATIFICATION OF PRIOR ISSUE – TRANCHE 1 PLACEMENT SHARES

2.1 Background

On 5 February 2018, the Company announced that, in addition to funds subscribed by IGO referred to in Section 1 above, it had received firm commitments to raise a total of \$2.65 million (**Placement**) through a two-tranche placement comprised of:

- the issue of 44,549,653 Shares at an issue price of 2.9¢ to raise \$1,291,939 (before costs) pursuant to the Company's existing placement capacities under Listing Rules 7.1 and 7.1A (**Tranche 1 Placement**); and
- 46,829,670 Shares at an issue price of 2.9¢ to raise \$1,358,060 (before costs) and a total of 45,689,661 one-for-two free attaching options exercisable at 10¢ on or before 31 December 2019, subject to Shareholder approval (**Tranche 2 Placement**).

The proceeds of the Tranche 1 and 2 Placements will be used to further refine and define gold targets across 50 strike kilometres of soil anomalies at the Company's 100% owned Barlee Gold Project and to complete a detailed drone survey at Malinda Lithium Project to refine targets for 10,000-15,000m of RC drilling in 2018.

On 12 February 2018 the Company issued 44,549,653 Shares utilising the Company's existing placement capacity under Listing Rules 7.1 and 7.1A in the following proportions:

- 26,463,792 Shares were issued at 2.9¢ per Share under ASX Listing Rule 7.1 and are the subject of Resolution 2; and
- 18,085,861 Shares were issued at 2.9¢ per Share under ASX Listing Rule 7.1A and are the subject of Resolution 3.

The terms of the Placement also provide that one (1) free attaching Option will be issued for every two (2) Shares subscribed for by investors. The issue of the Placement Options under the Placement remains subject to Shareholder approval (and is the subject of Resolution 3).

On 22 November 2017, the Company held its annual general meeting where shareholder approval was sought and obtained to, amongst other things, refresh its placement capacity pursuant to Listing Rule 7.1 and approve an additional 10% placement capacity pursuant to Listing Rule 7.1A.

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

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 26,463,792 Shares under the Tranche 1 Placement issued on 12 February 2018 at an issue price of 2.9¢ per Share under ASX Listing Rule 7.1.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 18,085,861 Shares under the Tranche 1 Placement issued on 12 February 2018 at an issue price of 2.9¢ per Share under ASX Listing Rule 7.1A.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

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

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

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and up to the 10% additional placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 2 and 3:

- (a) In relation to Resolution 2, 26,463,792 Shares were issued and in relation to Resolution 3, 18,085,861 Shares were issued;
- (b) the issue price per Share was 2.9¢ each for both Resolution 2 and Resolution 3;

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- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (d) the Shares were issued to sophisticated and professional investors none of which are related parties of the Company; and
 - (e) funds raised from the issue of the Tranche 1 Placement Shares will be used to:
 - (i) further refine and define gold targets across 50 strike kilometres of soil anomalies at the Company's 100% owned Barlee Gold Project by way of 50,000m of aircore and 15,000-20,000m of RC drilling across the T1, T2, T6 & T8 prospects in 2018;
 - (ii) to complete a detailed drone survey at Malinda Lithium Project to refine targets for 10,000-15,000m of RC drilling in 2018; and
 - (iii) for working capital purposes.

2.3 Director's Recommendation

The Directors unanimously recommend that shareholders approve Resolutions 2 and 3 to approve the ratification of the Tranche 1 Placement.

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

3. RESOLUTION 4 – ISSUE OF TRANCHE 2 PLACEMENT SHARES AND PLACEMENT OPTIONS

3.1 General

As detailed in Section 2.1 of this Explanatory Statement, the Company has received firm commitments for a Placement to raise \$2.65 million (before transaction costs) via a two-tranche placement of a total of 91,379,312 Shares at an issue price of 2.9¢ per Share together with a one-for-two free attaching Options exercisable at 10¢ on or before 31 December 2019.

Resolution 4 seeks Shareholder approval for the issue of 46,829,670 Tranche 2 Placement Shares at an issue price of 2.9¢ to raise \$1,358,060 (before costs) and the issue of a total of 45,689,661 one-for-two free attaching Options exercisable at 10¢ on or before 31 December 2019 (**Placement Options**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 4 will be to allow the Company to issue the Tranche 2 Placement Shares and Placement Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

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- (a) the maximum number of securities to be issued are:
 - (i) 46,829,670 Tranche 2 Placement Shares; and
 - (ii) 45,689,661 Placement Options.
 - (b) the issue price of the Tranche 2 Placement Shares is 2.9¢ per Share;
 - (c) the issue price of the Placement Options will be nil as they will be issued free attaching to the Shares issued pursuant to the Placement on the basis of one (1) Option for every two (2) Shares issued;
 - (d) the Tranche 2 Placement Shares and the Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of all of the Tranche 2 Placement Shares and the Placement Options will occur on the same date;
 - (e) the Placement Options will be issued to the subscribers for Shares under the Placement, all of whom are unrelated to the Company;
 - (f) the Placement Options will be issued on the terms and conditions set out in Schedule 1; and
 - (g) funds raised from the issue of the Tranche 2 Placement Shares will be used to:
 - (i) further refine and define gold targets across 50 strike kilometres of soil anomalies at the Company's 100% owned Barlee Gold Project by way of 50,000m of aircore and 15,000-20,000m of RC drilling across the T1, T2, T6 & T8 prospects in 2018;
 - (ii) to complete a detailed drone survey at Malinda Lithium Project to refine targets for 10,000-15,000m of RC drilling in 2018; and
 - (iii) for working capital purposes.

3.3 Director's Recommendation

The Directors unanimously recommend that shareholders approve Resolution 3 to approve the issue of Tranche 2 Placement Shares and Placement Options.

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

4. RESOLUTION 5 – ISSUE OF OPTIONS TO BROKERS

4.1 General

Resolution 5 seeks Shareholder approval for the issue of up to 15,000,000 Options to advisers in consideration for corporate advisory services provided to the Company in relation to the Placement (**Broker Options**).

A summary of ASX Listing Rules 7.1 is set out in Section 1.2 above.

The effect of Resolution 5 will be to allow the Company to issue the Broker Options during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the maximum number Broker Options to be issued is 15,000,000;
- (b) the Broker Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of all of the Broker Options will occur on the same date;
- (c) the Broker Options will be issued for nil cash consideration for corporate advisory services provided to the Company by Hartleys and Prosperion Wealth Management Pty Ltd;
- (d) the Broker Options will be issued to Zenix Nominees Pty Ltd, a wholly owned subsidiary of Hartleys Limited (or its nominee/s) and Prosperion Wealth Management Pty Ltd (or its nominee/s), who are not related parties of the Company;
- (e) the Broker Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Broker Options as they are being issued in lieu of payment for corporate advisory services provided to the Company.

4.3 Director's Recommendation

The Directors unanimously recommend that shareholders approve Resolution 5 to approve the issue of the Broker Options.

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

5. RESOLUTIONS 6 TO 8 – CANCELLATION OF EMPLOYEE SHARE PLAN SHARES IN PART SATISFACTION OF RELATED LOANS OWING BY RELATED PARTIES

5.1 Background

Pursuant to the Company's Employee Share Plan (**Plan**) and as previously approved by Shareholders, during 2015, 2016 and 2017 Arrow issued Shares as long-term incentives (**ESP Shares**) and provided limited-recourse loans for the purchase of those Shares to Mr Steven Michael, Dr Frazer Tabcart and Mr Nicholas Chen Chik Ong (the **Related Parties**) as set out in the table below:

Related Party	Shareholder approval date	ESP Shares	Loan Value	Loan Value per ESP Share
Steven Michael	29 July 2015	685,714	\$86,400	\$0.126
	18 October 2016	1,428,571	\$145,000	\$0.102
	22 November 2017	2,000,000	\$97,800	\$0.049
	Sub-total	4,114,285	\$329,200	
Frazer Tabearnt	29 July 2015	642,857	\$81,000	\$0.126
	18 October 2016	857,143	\$87,000	\$0.102
	22 November 2017	375,000	\$18,338	\$0.049
	Sub-total	1,875,000	\$186,338	
Nicholas Ong	29 July 2015	257,143	\$32,400	\$0.126
	18 October 2016	857,143	\$87,000	\$0.102
	22 November 2017	375,000	\$18,338	\$0.049
	Sub-total	1,489,286	\$137,738	
	TOTAL	7,478,571	\$653,276	

The ESP Shares referred to above are subject to a holding lock until the satisfaction of specified performance milestones. The applicable performance milestones are set out in the Company's notices of meetings dated 19 October 2017 (in relation to the ESP Shares issued in 2017) and 16 September 2016 (in relation to the ESP Shares issued in 2016 and 2015). If a performance milestone is not satisfied, or becomes incapable of being satisfied, by the applicable repayment date, then the Company will buy-back or cancel the relevant ESP Shares in full satisfaction of the related loan.

The loans referred to above were provided on the following key terms and otherwise subject to the terms and conditions of the Plan, a summary of which is set out in Schedule 2:

- (a) **(limited-recourse)**: the loan is secured against the relevant ESP Shares but the participant is not personally liable for the loan. In other words, in the event the ESP Shares are sold to repay the loan but the sale proceeds are insufficient to cover the amount of the loan which is outstanding the Company cannot recover the remaining amount from the participant. Conversely, where the sale proceeds are greater than the amount of the loan, the Company will not receive any additional repayment as the participant is entitled to the surplus proceeds;
- (b) **(interest free)**: the loan is interest free; and
- (c) **(term)**: 3 years from the date of issue of the ESP Shares, subject to earlier repayment in accordance with the terms of the Plan.

The Plan allows the Company to forgive loans made under the Plan in its absolute discretion.

Shareholders have recently had the opportunity to participate in capital raisings of the Company at 3¢ (in the case of the share purchase plan and placement implemented in July and June 2017) or 2.9¢ (in the case of the placements referred to in Sections 1 to 3 above).

As shown in the table above, the amount of the loans outstanding under the Plan equate to between 4.9¢ and 12.6¢ per ESP Share. The Plan is provided to employees to provide a long term incentive to attract and retain high quality personnel. Given more than half of the Shares currently on issue were issued for 3¢ or less, the Board is of the view that the historical ESP Shares no longer continue to provide sufficient incentive to personnel and therefore the Board has taken the decision to seek Shareholder approval to restructure the ESP Shares, including a voluntary reduction in the number of ESP Shares (via selective capital reduction) in conjunction with a reduction in the outstanding loan value.

All performance milestones will remain the same notwithstanding the fact that the change in the Company's asset composition means that several historical hurdles are unlikely or unable to be met. In particular, the Company notes that one of the performance milestones relating to some of the ESP Shares issued in 2015 (namely, that MMG meets the Stage 1 minimum exploration condition for 2017 by spending \$6.5 million before 31 December 2019, including \$1.5 million to be spent before 31 December 2016) is no longer able to be met. All of the ESP Shares to which this performance milestone applies will be cancelled under the proposed selective capital reduction.

The purpose of Resolutions 6 to 8 is to seek Shareholder approval to make a selective capital reduction by cancelling a total of 801,787 ESP Shares (**ESP Reduction Shares**) held by the Related Parties, in satisfaction of a total of \$452,972 of the related loans totalling \$653,275 owing by the Related Parties. Full details of the number of ESP Reduction Shares, and the reduction in the related loan values for each of the Related Parties is set out in Section 5.3 below under the heading "The nature of the financial benefit".

The impact of the cancellation of the ESP Reduction Shares and the reduction of the related loan values, will be to reduce the amount owing on the remaining ESP Shares held by the Related Parties under the related loans to an amount equal to 3¢ per ESP Share.

Resolutions 6 to 8 are special resolutions and therefore require approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Each of Resolutions 6 to 8 is subject to the passing of special resolution 1 at the Special General Meeting by those Shareholders (including the Related Parties) whose Shares are being cancelled under the selective capital reduction.

As part of the capital reduction referred to above, the Company is also proposing to cancel some of the Shares issued to other Plan participants who are not related parties in part satisfaction of loans provided to those participants under the Plan (refer to Resolution 10 and Section 7 for further details).

5.2 Corporations Act Requirements

Capital reduction

The Corporations Act provides that the rules relating to a reduction of share capital are designed to protect the interests of the shareholders and creditors of the relevant company by:

- (a) addressing the risk of the transaction leading to the company's solvency;

- For personal use only
- (b) seeking to ensure fairness between the shareholders of the company; and
 - (c) requiring the company to disclose all material information.

In particular, section 256B of the Corporations Act requires that a company may only reduce its capital if:

- (a) it is fair and reasonable to the company's shareholders as a whole;
- (b) it does not materially prejudice the company's ability to pay its creditors; and
- (c) it is approved by shareholders in accordance with section 256C of the Corporations Act.

The cancellation of the ESP Reduction Shares is a "selective" capital reduction under section 256B(2) of the Corporations Act as the reduction does not apply to each Shareholder in proportion to the number of Shares they hold and the terms of the reduction are not the same for each Shareholder. Further, as the proposed capital reduction involves the cancellation of Shares, the capital reduction must also be approved by a special resolution passed at a meeting of the Shareholders whose Shares are to be cancelled. This is the subject of special resolution 1 of the Special General Meeting. Under the Corporations Act, the Company may cancel the Shares 14 days after Resolutions 6 to 8 (and special resolution 1 of the Special General Meeting) are passed and the necessary forms are lodged with ASIC.

Financial benefit to related parties

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The reduction in the loans granted under the Plan for the Related Parties requires the Company to obtain Shareholder approval because:

- (a) the reduction in the loans granted under the Plan constitutes giving a financial benefit; and
- (b) as Directors, the Related Parties are related parties of the Company.

As it is proposed to reduce the loans granted under the Plan to all of the Company's Directors, the Directors have been unable to form quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to these issues. Accordingly, Shareholder approval is sought for the reduction in the loans owing by the Related Parties.

5.3 Information required by section 219 of the Corporations Act and ASIC Regulatory Guide 76

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided.

The related party to whom the proposed resolutions would permit the financial benefit to be given

Pursuant to Resolutions 6, 7 and 8, subject to Shareholder approval, the Company proposes to give the financial benefit (being the reduction in the loans granted under the Plan) to Directors Mr Steven Michael, Dr Frazer Tabcart, and Mr Nicholas Chen Chik Ong, in consideration for which the Company will cancel the ESP Reduction Shares.

The nature of the financial benefit

As noted in Section 5.1 above, the Company is seeking Shareholder approval to make a selective capital reduction by cancelling a total of 801,787 ESP Shares (the ESP Reduction Shares) held by the Related Parties, in satisfaction of a total of \$452,972 of the related loans totalling \$653,275 owing by the Related Parties.

The proposed financial benefit to be provided to the Related Parties is a reduction in the amount of loans owing to the Company by the Related Parties. Specifically:

- (a) a reduction of \$216,915 in the total loan amount provided to Mr Steven Michael comprising:
 - (i) a reduction of \$69,686 of the loan provided to Mr Michael under the Plan in 2015 (in satisfaction of which the Company will cancel 128,572 Shares issued to Mr Michael under the Plan in 2015);
 - (ii) a reduction of \$106,429 of the loan provided to Mr Michael under the Plan in 2016 (in satisfaction of which the Company will cancel 142,857 Shares issued to Mr Michael under the Plan in 2016); and
 - (iii) a reduction of \$40,800 of the loan provided to Mr Michael under the Plan in 2017 (in satisfaction of which the Company will cancel 100,000 Shares issued to Mr Michael under the Plan in 2017);
- (b) a reduction of \$138,579 in the total loan amount provided to Dr Frazer Tabcart comprising:
 - (i) a reduction of \$67,071 of the loan provided to Dr Tabcart under the Plan in 2015 (in satisfaction of which the Company will cancel 178,572 Shares issued to Dr Tabcart under the Plan in 2015);
 - (ii) a reduction of \$63,857 of the loan provided to Dr Tabcart under the Plan in 2016 (in satisfaction of which the Company will cancel 85,714 Shares issued to Dr Tabcart under the Plan in 2016); and
 - (iii) a reduction of \$7,650 of the loan provided to Dr Tabcart under the Plan in 2017 (in satisfaction of which the Company will cancel 18,750 Shares issued to Dr Tabcart under the Plan in 2017); and

- (c) a reduction of \$97,479 in the total loan amount provided to Mr Nicholas Chen Chik Ong comprising:
- (i) a reduction of \$25,971 of the loan provided to Mr Ong under the Plan in 2015 (in satisfaction of which the Company will cancel 42,857 Shares issued to Mr Ong under the Plan in 2015);
 - (ii) a reduction of \$63,857 of the loan provided to Mr Ong under the Plan in 2016 (in satisfaction of which the Company will cancel 85,714 Shares issued to Mr Ong under the Plan in 2015); and
 - (iii) a reduction of \$7,650 of the loan provided to Mr Ong under the Plan in 2017 (in satisfaction of which the Company will cancel 18,750 Shares issued to Mr Ong under the Plan in 2015).

Directors' recommendations and interest in the outcome

The Directors believe that the cancellation of the ESP Reduction Shares in part satisfaction of the loans owing under the Plan is in the best interests of the Company for the following reasons:

- (a) the Board is of the view that the historical ESP Shares no longer continue to provide sufficient incentive to personnel because:
 - (i) as currently structured, the amount of the loans outstanding under the Plan equate to between 4.9¢ and 12.6¢ per ESP Share; and
 - (ii) Shareholders have recently had the opportunity to participate in capital raisings of the Company at 3¢ (in the case of the share purchase plan and placement implemented in July and June 2017) or 2.9¢ (in the case of the placements referred to in Sections 1 and 3), and more than half of the Shares currently on issue were issued for 3¢ or less;
- (b) as outlined in Section 5.1 above, the impact of the cancellation of the ESP Reduction Shares and the reduction of the related loan values will be to reduce the amount owing under the loans on the remaining ESP Shares to an amount equal to 3¢ per ESP Share;
- (c) the Board is of the view that the proposed adjustment to the ESP Shares and related loans will ensure that the remaining ESP Shares will provide an appropriate incentive to personnel (consistent with the objectives of the Plan to provide a long-term incentive to attract and retain high quality personnel);
- (d) as noted in Section 5.1 above, the loans are secured against the relevant ESP Shares and limited in recourse to those Shares, so that in the event the ESP Shares are sold to repay the loan but the sale proceeds are insufficient to cover the amount of the loan which is outstanding the Company cannot recover the remaining amount from the participant;
- (e) all performance milestones which apply to the ESP Shares will remain the same notwithstanding the fact that the change in the Company's asset composition means that several historical hurdles are unlikely or unable to be met;

- (f) the capital reduction will result in the cancellation of a total of 801,787 Shares held by the Related Parties and 285,357 Shares held by the Non-related Participants (refer to Resolution 10 and Section 7). This will decrease the number of Shares on issue following completion of the Tranche 2 Placement from 306,720,697 to 305,633,554 (assuming that no Options are exercised and no other Shares are issued), meaning that the total interest in the Company of each Shareholder whose Shares are not cancelled under the capital reduction will increase by 0.36%; and
- (g) the reduction in capital and related reduction in loan values will not prejudice the Company's ability to pay its creditors as the grant of the loans was an accounting entry only and no cash was advanced by the Company under the loans.

Mr Steven Michael declines to make a recommendation to Shareholders in relation to Resolution 6 as he has an interest in the outcome of the Resolution. However, in respect of Resolutions 7 and 8, he recommends that Shareholders vote in favour of those Resolutions for the reasons given above.

Dr Frazer Tabcart declines to make a recommendation to Shareholders in relation to Resolution 7 as he has an interest in the outcome of the Resolution. However, in respect of Resolutions 6 and 8, he recommends that Shareholders vote in favour of those Resolutions for the reasons given above.

Mr Nicholas Ong declines to make a recommendation to Shareholders in relation to Resolution 8 as he has an interest in the outcome of the Resolution. However, in respect of Resolutions 6 and 7, he recommends that Shareholders vote in favour of those Resolutions for the reasons given above.

Current Holdings and Remuneration

The relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Parties	Shares	Options exercisable at 10¢ expiring 31 Dec. 2019
Mr Steven Michael	5,015,713	653,572
Dr Frazer Tabcart	1,875,000	375,000
Mr Nicholas Ong	1,567,857	298,215

The total remuneration paid from the Company to the Related Parties and their associates for the previous three financial years:

Related Parties	2017/2016	2016/2015	2015/2014
Mr Steven Michael	\$336,936	\$407,402	\$541,717
Dr Frazer Tabcart	\$34,938	\$50,495	\$20,000
Mr Nicholas Ong	\$38,063	\$44,787	\$41,731

Other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 6 to 8.

6. RESOLUTION 9 – SECTION 195 APPROVAL

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a “material personal interest” are being considered.

Some of the Directors may have a material personal interest in the outcome of Resolutions 6 to 8. In the absence of Resolution 9, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 6 to 8.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

Resolution 9 is an ordinary resolution and is subject to Resolutions 6 to 8 being passed.

7. RESOLUTION 10 – CANCELLATION OF EMPLOYEE SHARE PLAN SHARES IN PART SATISFACTION OF RELATED LOANS – NON-RELATED PARTICIPANTS

7.1 Background

Pursuant to the Plan, during 2015, 2016 and 2017 Arrow issued Shares as long-term incentives (**Other ESP Shares**) and provided limited-recourse loans for the purchase of those Shares to other participants in the Plan who are not related parties of the Company (**Non-related Participants**) as set out below:

	Other ESP Shares	Loan Value	Loan Value per Other ESP Share
2015	214,285	\$27,000	\$0.126
2016	1,285,715	\$130,500	\$0.101
2017	2,850,000	\$139,365	\$0.049
TOTAL	4,350,000	\$296,865	

The Other ESP Shares referred to above are subject to a holding lock until the satisfaction of specified performance milestones. The applicable performance milestones are the same as those which apply to the ESP Shares issued to the Related Parties under the Plan (see Section 5.1 for further details). If a performance milestone is not satisfied, or becomes incapable of being satisfied, by the applicable repayment date, then the Company will buy-back or cancel the relevant Other ESP Shares in full satisfaction of the related loan.

The loans referred to above were provided on the following key terms and otherwise subject to the terms and conditions of the Plan, a summary of which is set out in Schedule 2. Refer to Section 5.1 for a summary of the key terms of the loans.

As noted in Section 5.1, the Plan allows the Company to forgive loans made under the Plan in its absolute discretion.

Shareholders have recently had the opportunity to participate in capital raisings of the Company at 3¢ (in the case of the share purchase plan and placement implemented in July and June 2017) or 2.9¢ (in the case of the placements referred to in Sections 1 to 3 above).

As shown in the table above, the amount of the loans outstanding under the Plan equate to between 4.9¢ and 12.6¢ per Other ESP Share. The Plan is provided to employees to provide a long term incentive to attract and retain high quality personnel. Given more than half of the Shares currently on issue were issued for 3¢ or less, the Board is of the view that the historical Other ESP Shares no longer continue to provide sufficient incentive to personnel and therefore the Board has taken the decision to seek Shareholder approval to restructure the Other ESP Shares, including a voluntary reduction in the number of Other ESP Shares (via selective capital reduction) in conjunction with a reduction in the outstanding loan value.

All performance milestones will remain the same notwithstanding the fact that the change in the Company's asset composition means that several historical hurdles are unlikely or unable to be met. In particular, as noted in Section 5.1, one of the performance milestones relating to some of the Other ESP Shares issued in 2015 (namely, that MMG meets the Stage 1 minimum exploration condition for 2017 by spending \$6.5 million before 31 December 2019, including \$1.5 million to be spent before 31 December 2016) is no longer able to be met. All of the Other ESP Shares to which this performance milestone applies will be cancelled under the proposed selective capital reduction.

The purpose of Resolution 10 is to seek Shareholder approval to make a selective capital reduction by cancelling a total of 285,357 Other ESP Shares (**Other ESP Reduction Shares**) held by the Non-related Participants, in satisfaction of a total of \$174,926 of the related loans totalling \$296,865 owing by the Non-related Participants. Specifically:

- (a) a reduction of \$21,000 in the total loans amount provided to the Non-related Participants under the Plan in 2015 (in satisfaction of which the Company will cancel 14,285 Shares issued to the Non-related Participants under the Plan in 2015);
- (b) a reduction of \$95,786 in the total loans amount provided to the Non-related Participants under the Plan in 2016 (in satisfaction of which the Company will cancel 128,572 Shares issued to the Non-related Participants under the Plan in 2016); and
- (c) a reduction of \$21,000 in the total loans amount provided to the Non-related Participants under the Plan in 2017 (in satisfaction of which the Company will cancel 142,500 Shares issued to the Non-related Participants under the Plan in 2017).

The impact of the cancellation of the Other ESP Reduction Shares and the reduction of the related loan values, will be to reduce the amount owing on the remaining Other ESP Shares held by the Non-related Participants under the related loans to an amount equal to 3¢ per Other ESP Share.

Resolution 10 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Resolution 10 is subject to the passing of special resolution 1 at the Special General Meeting by those Shareholders whose Shares are being cancelled under the selective capital reduction.

7.2 Corporations Act Requirements

The Corporations Act provides that the rules relating to a reduction of share capital are designed to protect the interests of the shareholders and creditors of the relevant company by:

- (a) addressing the risk of the transaction leading to the company's solvency;
- (b) seeking to ensure fairness between the shareholders of the company; and
- (c) requiring the company to disclose all material information.

In particular, section 256B of the Corporations Act requires that a company may only reduce its capital if:

- (a) it is fair and reasonable to the company's shareholders as a whole;
- (b) it does not materially prejudice the company's ability to pay its creditors; and
- (c) it is approved by shareholders in accordance with section 256C of the Corporations Act.

The cancellation of the Other ESP Reduction Shares is a "selective" capital reduction under section 256B(2) of the Corporations Act as the reduction does not apply to each Shareholder in proportion to the number of Shares they hold and the terms of the reduction are not the same for each Shareholder. Further, as the proposed capital reduction involves the cancellation of Shares, the capital reduction must also be approved by a special resolution passed at a meeting of the Shareholders whose Shares are to be cancelled. This is the subject of special resolution 1 of the Special General Meeting. Under the Corporations Act, the Company may cancel the Shares 14 days after Resolutions 6 to 8 (and special resolution 1 of the Special General Meeting) are passed and the necessary forms are lodged with ASIC.

The Directors believe that the cancellation of the ESP Reduction Shares in part satisfaction of the loans owing under the Plan is in the best interests of the Company for the following reasons:

- (a) the Board is of the view that the historical Other ESP Shares no longer continue to provide sufficient incentive to personnel because:
 - (i) as currently structured, the amount of the loans outstanding under the Plan equate to between 4.9¢ and 12.6¢ per Other ESP Share; and

- For personal use only
- (ii) Shareholders have recently had the opportunity to participate in capital raisings of the Company at 3¢ (in the case of the share purchase plan and placement implemented in July and June 2017) or 2.9¢ (in the case of the placements referred to in Sections 1 and 3), and more than half of the Shares currently on issue were issued for 3¢ or less;
 - (b) as outlined in Section 5.1 above, the impact of the cancellation of the ESP Reduction Shares and the reduction of the related loan values will be to reduce the amount owing under the loans on the remaining Other ESP Shares to an amount equal to 3¢ per Other ESP Share;
 - (c) the Board is of the view that the proposed adjustment to the Other ESP Shares and related loans will ensure that the remaining Other ESP Shares will provide an appropriate incentive to personnel (consistent with the objectives of the Plan to provide a long-term incentive to attract and retain high quality personnel);
 - (d) as noted in Section 5.1 above, the loans are secured against the relevant Other ESP Shares and limited in recourse to those Shares, so that in the event the Other ESP Shares are sold to repay the loan but the sale proceeds are insufficient to cover the amount of the loan which is outstanding the Company cannot recover the remaining amount from the participant;
 - (e) all performance milestones which apply to the Other ESP Shares will remain the same notwithstanding the fact that the change in the Company's asset composition means that several historical hurdles are unlikely or unable to be met;
 - (f) the capital reduction will result in the cancellation of 285,357 Shares held by the other Plan participants and a total of 801,787 Shares held by the Related Parties and (refer to Resolutions 6 to 8 and Section 5). This will decrease the number of Shares on issue following completion of the Tranche 2 Placement from 306,720,697 to 305,633,554 (assuming that no Options are exercised and no other Shares are issued), meaning that the total interest in the Company of each Shareholder whose Shares are not cancelled under the capital reduction will increase by 0.36%; and
 - (g) the reduction in capital and related reduction in loan values will not prejudice the Company's ability to pay its creditors as the grant of the loans was an accounting entry only and no cash was advanced by the Company under the loans.

Each of the Directors recommends that Shareholders vote in favour of Resolution 10 for the reasons given above.

An indicative timetable for implementation of the capital reduction is set out in Schedule 3.

GLOSSARY

\$ means Australian dollars.

Agreement has the meaning set out in section 1.1.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Broker Options has the meaning set out in section 4.1.

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

Chair means the chair of the Meeting.

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

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

ESP Reduction Shares has the meaning set out in Section 5.1.

ESP Shares has the meaning set out in Section 5.1.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

IGO Placement Securities has the meaning given to it in Section 1.1.

Independence Group means Independence Group NL (ACN 092 786 304)

Non-related Participants has the meaning set out in Section 7.1.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Other ESP Reduction Shares has the meaning set out in Section 7.1.

Other ESP Shares has the meaning set out in Section 7.1.

Placement has the meaning given to it in Section 2.1.

Placement Options has the meaning set out in Section 3.1.

Plan means the Arrow employee share plan as previously approved by Shareholders on 14 April 2014 and re-adopted on 22 November 2017. The employee share plan is summarised in Schedule 2.

Project has the meaning set out in Section 1.1.

Proxy Form means the proxy form accompanying the Notice.

Related Parties has the meaning set out in Section 5.1.

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

Restricted Shares means Shares issued under the Plan subject to performance milestones.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Special General Meeting means the special general meeting of the Company to be held following the Meeting.

Tranche 1 Placement has the meaning set out in section 2.1.

Tranche 2 Placement has the meaning set out in section 2.1.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(a) **Exercise Price**

Subject to paragraph 1.1(h), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

(b) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(d) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(e) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(f) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph 1.1(f)(i) or 1.1(f)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to

satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(g) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(h) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(i) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(j) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(k) **Quoted**

The Company will apply for quotation of the Options on ASX.

(l) **Transferability**

The Options are transferable subject to the Constitution, any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – SUMMARY OF EMPLOYEE SHARE PLAN

The key terms of the Employee Share Plan are as follows:

- (a) **Eligibility:** Participants in the Scheme may be directors of the Company or any of its subsidiaries or any other related body corporate of the Company (**Eligible Participants**).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Eligible Participants will be offered Shares under the Plan.
- (c) **Invitation:** The Board may make an invitation to an Eligible Participant to participate in the Plan. The invitation:
- (i) will invite application for the number of Shares specified in the invitation;
 - (ii) will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated;
 - (iii) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Eligible Participant in accordance with the invitation;
 - (iv) will specify any restriction conditions applying to the Shares;
 - (v) will specify an acceptance period; and
 - (vi) specify any other terms and conditions attaching to the Shares.
- (d) **Issue price:** the issue price of each Share will be not less the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the date of issue of the Shares offered under the Plan, or such other price as the Board determines.
- (e) **Renounceability:** Eligible Participants may renounce their Invitation in favour of an associate (the Eligible Participants and their associates are each **Participants**).
- (f) **Restriction Conditions:** Shares may be subject to restriction conditions relating to milestones (**Milestone Conditions**) (such as a period of employment) or escrow restrictions (**Escrow Conditions**) which must be satisfied before the Shares can be sold, transferred, or encumbered (**Restriction Conditions**). Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Plan.
- (g) **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.
- (h) **Loan:** An Eligible Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:
- (i) the Loan will be interest free unless the Company and the Participant agree otherwise;

- (ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
 - (iii) the Loan repayment date will be 3 years following the issue of Shares under the Plan and the manner for making such payments shall be determined by the Board and set out in the invitation;
 - (iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;
 - (v) the Company shall have a lien over the Shares in respect of which a Loan is outstanding and the Company shall be entitled to buy-back, cancel or sell those Shares in accordance with the terms of the Plan;
 - (vi) a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates; and
 - (vii) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.
- (i) **Unfulfilled Milestone Condition:** 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 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 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.
- (j) **Sale of Shares to repay Loan:**
- (i) A Loan shall become repayable in full on the earlier of:

- (A) 3 years following the issue of Shares under the Plan;
 - (B) the date determined under (ii) below;
 - (C) any Shares issued to the Participant in relation to the Loan being sold, transferred, assigned, mortgaged, charged or otherwise encumbered (unless any such actions were undertaken by or on behalf of the Company);
 - (D) the Participant suffering an event of insolvency;
 - (E) the Participant breaching any condition of the Loan or the Plan; or
 - (F) a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
- (ii) In the event that the Eligible Participant to whom the invitation was made ceases to be an Eligible Participant, the date for repayment of the Loan under (j)(i)(B) will, subject to the Company buying back, cancelling or selling any Shares where the Eligible Participant ceases such a role for to certain bad leaver reasons (including acting fraudulently or dishonestly, being grossly negligent, demonstrating serious and wilful misconduct, or causing a material adverse effect on the reputation of the Company), be the later of:
- (A) if all Restriction Conditions have been satisfied or waived, within 30 days;
 - (B) if a Milestone Condition in relation to Shares is not satisfied or waived, immediately. Such payment obligation shall be satisfied as set out in (i) above; or
 - (C) if all Milestone Conditions have been satisfied or waived, but the Escrow Condition has not been satisfied or waived, immediately upon satisfaction.
- (iii) Where a Loan becomes repayable under (j), other than (i)(B) and at that time a Restriction Condition in relation to Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Company may elect to buy-back or cancel in consideration for cancellation of the Loan or sell the Shares, with the Sale Proceeds being applied to repay the Loan in accordance the Plan.
- (iv) Where a Loan in relation to Shares becomes repayable under (i)(D) or (E) or (ii)(A) and at that time Restriction Conditions in relation to the Shares have either been satisfied or are waived, the Company must give the Participant a 30 day period to repay the Loan, failing which the Company may buy-back, cancel or sell the Shares and, if sold, apply the Sale Proceeds in accordance with the Plan.
- (k) **Power of Attorney:** The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Plan.

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- (l) **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.
 - (m) **Quotation on ASX:** The Company will apply for each Share to be admitted to trading on ASX upon issue of the Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.
 - (n) **Rights attaching to Shares:** Each Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

SCHEDULE 3 – INDICATIVE TIMETABLE FOR SELECTIVE CAPITAL REDUCTION

Event	Date
Date of Meeting	6 April 2018
Company to lodge resolutions approving the capital reduction resolutions with ASIC (ASIC Form 2205)	6 April 2018
Company to notify ASX that it is 14 days since it lodged the resolutions approving the capital reduction with ASIC	20 April 2018
Last day for trading in pre-capital reduction securities *	23 April 2018
Trading in the reorganised securities on a deferred settlement basis starts *	24 April 2018
Last day for Company to register transfers on a pre-capital reduction basis *	26 April 2018
Company to make entries in security holders' holdings so that the number of securities in their holdings reflects the effect of carrying out the capital reduction. Company to issue revised holding statements to cancellation shareholders.	27 April 2018 to 3 May 2018
These dates have been included for completeness to conform with the mandated ASX timetable. The cancellation shares are all restricted shares under the Company's employee share plan, and are not able to be traded.	

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APPOINTMENT OF PROXY FORM

ARROW MINERALS LIMITED
ACN 112 609 846

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:00am WST, on Friday, 6 April 2018 at Advanced Share Registry, 110 Stirling Highway, Nedlands 6009, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Issue of Placement Securities to Independence Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue – Tranche 1 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue – Tranche 1 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Tranche 2 Placement Shares and Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Options to Brokers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Cancellation of Employee Share Plan Shares In Part Satisfaction Of Related Loans – Mr Steven Michael	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Cancellation of Employee Share Plan Shares In Part Satisfaction Of Related Loans – Dr Frazer Tabearat	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Cancellation of Employee Share Plan Shares In Part Satisfaction Of Related Loans – Mr Nicholas Chen Chik Ong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Cancellation of Employee Share Plan Shares In Part Satisfaction Of Related Loans – Non-Related Parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail: YES NO

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - (a) **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - (b) **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - (c) **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - (d) **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to the Company, PO Box 886, Claremont WA 6910;
 - (b) facsimile to the Company on facsimile number +61 8 9486 4799; or
 - (c) email to the Company at info@arrowminerals.com.au,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.
