ARROW MINERALS

ASX: AMD

5 October 2018

# MAJOR DRILLING PROGRAMME COMMENCED AT STRICKLAND PROJECT

**HIGHLIGHTS:**

- **Fence line drilling programme underway to intersect mineralised structures at high priority prospects within the Strickland Gold Project**
- **Drilling commenced at the T6 Prospect where previous wide spaced drilling intersected 56m @ 0.8 g/t Au, including 24m @ 1.6 g/t Au and 9m @ 3.3 g/t Au**
- **Drill programme will continue until the end of the year testing high priority prospects at T6, T2 and T1 Prospects**

Arrow Minerals Limited (**Arrow** or the **Company**) is pleased announce that it has commenced a major fence line drilling programme at the Company's 100%-owned Strickland Gold Project, located 100km west of Menzies in the Yilgarn Craton of Western Australia (***Figure 1***).

The 14,000m fence line drill programme will focus on the T6, T1 and T2, where significant gold mineralisation was intersected with reconnaissance drilling in 2017 and 2018.

The drill programme consists of set-depth fence lines across prospective mineralised structures as defined by previous aircore drilling, close spaced soil sampling, high-resolution aeromagnetic data and prospect scale geological mapping.

Drilling has commenced at the T6 Prospect, to test six high priority targets which have been delineated by previous exploration work. The drill programme at T6 will comprise 20 fence lines of overlapping angled holes designed to intersect mineralised structures.

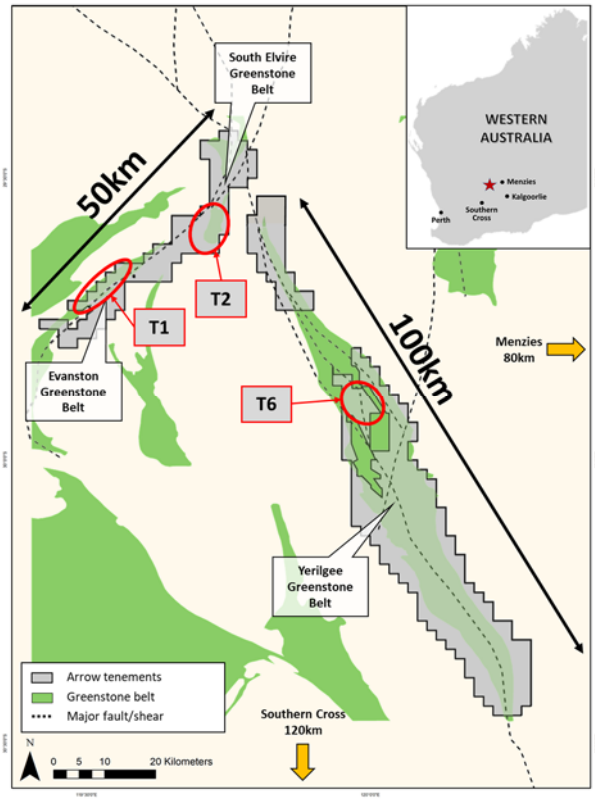


*Figure 1: Strickland Gold Project location map*

Drilling will continue at the T2 and T1 Prospects in late 2018 with a similar density of drilling. The entire drill programme is expected to be completed by the end of December of 2018. Assay results will be released separately for each prospect.

## T6 Prospect

Following the aircore drilling programme at the T6 Prospect (*see announcement on 14 June 2018*), Arrow has completed close spaced soil sampling, a high-resolution airborne magnetic survey and prospect scale geological mapping, resulting in a detailed litho-structural analysis of the T6 camp-scale target. Key mineralised structures and litho-structural settings associated with strongly anomalous gold-in-soils and bedrock gold anomalism have been identified and ranked.

Following the results of the reconnaissance wide spaced aircore drilling programme confirmed that the gold-in-soil anomalies were largely in-situ due to the eroded and largely residual nature of the



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regolith. As a result, a close spaced soil survey was undertaken with 50m x 50m spaced samples delineating significant anomalies which could be connected with mapped and interpreted structures.

A high resolution aeromagnetic survey was completed at T6, with the significantly enhanced resolution (***Figure 2***) assisting with detailed litho-structural interpretation. This litho-structural interpretation, when combined with the gold-in-soil results and bed rock gold anomalism, was used for identifying prospects within the T6 camp scale target for fence-line drill testing.

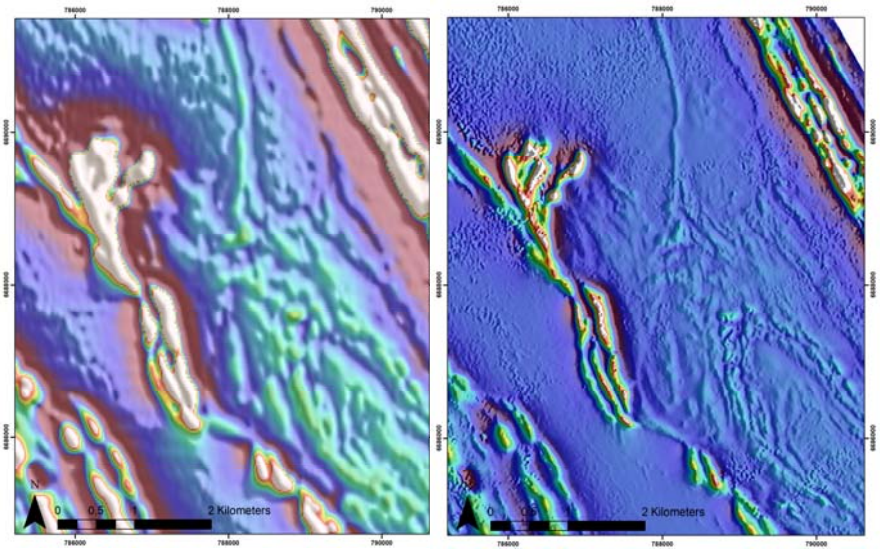


*Figure 2: Original aeromagnetic image (left) and high resolution aeromagnetic image (right)*

In addition to bedrock gold anomalism, end of hole samples from the aircore drilling program were analysed for multielement and hyperspectral techniques to confirm and identify lithological interpretation, gold pathfinder anomalism (As, Bi, Mo, Sb, Te, W) and hydrothermal alteration. The litho-geochemical study, litho-structural interpretation and the pathfinder and alteration information was used to identify and rank prospects for drill testing (***Figure 3***).

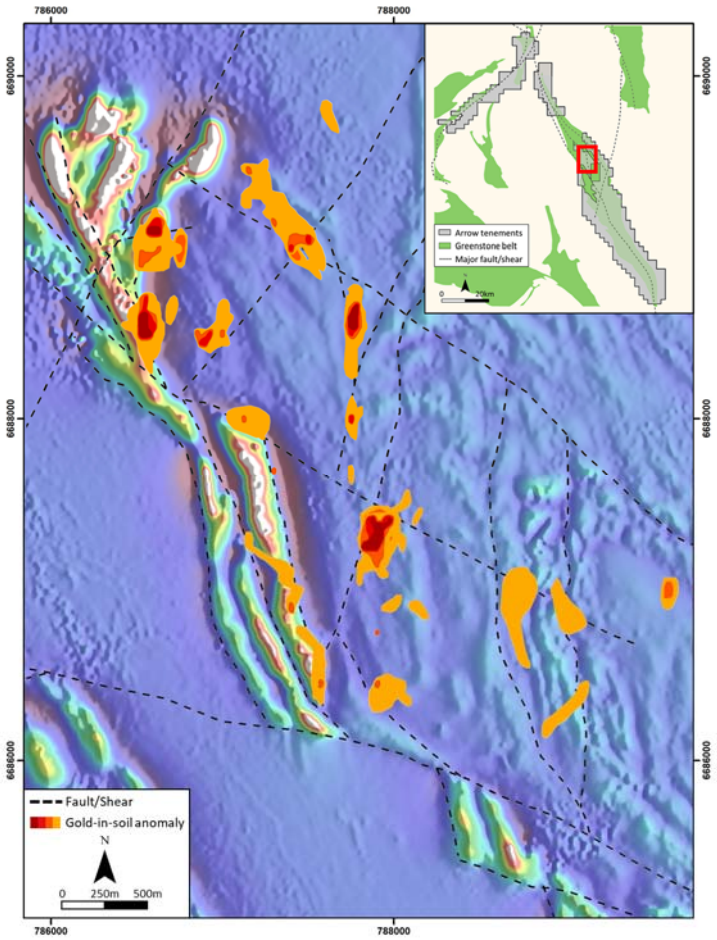


*Figure 3: T6 drill targets – plan view showing potentially mineralised structures and gold-in-soil anomalies*

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

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**Competent Persons Statement**

The information in this report that relates to Exploration Results is based on information compiled by Mr Dean Tuck who is a Member of the Australian Institute of Geoscientists. Mr Tuck is a full time employee of Arrow and has more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves". Mr Tuck 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 Tuck 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. Additionally, Mr Tuck 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.

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***Section 1 Sampling Techniques and Data***

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. | • Soil samples have been collected on a grid spacing of 50x25m, some sample locations have been collected off the grid to avoid sampling on outcrop or in active stream beds. |
| | • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. | • A sample size of 50-100g of -80 mesh (-177 micron) material was collected in the field from 1 – 2 pits roughly 50x50cm in dimension dug down to 20cm.<br>• A field duplicate was taken on a 1:50 ratio which consisted of a second sample from the same location but from different pits.<br>• An OREAS standard was inserted on a 1:50 ratio to ensure that the laboratory equipment was performing within acceptable limits. |
| | • Aspects of the determination of mineralisation that are Material to the Public Report.<br>• In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. | • A sample size of 50-100g of -80 mesh material was collected in the field and then sent to ALS laboratories for gold and multi-element analysis.<br>• For gold analysis an aqua regia digest of a 25g aliquot followed by ICP-MS for a 0.1ppb detection limit for Au (ALS Laboratories technique Au-ST43). |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Drilling techniques* | • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | • Not applicable, no drilling has been carried out. |
| *Drill sample recovery* | • Method of recording and assessing core and chip sample recoveries and results assessed. | • Not applicable, no drilling has been carried out. |
| | • Measures taken to maximise sample recovery and ensure representative nature of the samples. | • Not applicable, no drilling has been carried out. |
| | • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | • Not applicable, no drilling has been carried out. |
| *Logging* | • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. | • Basic description of hand specimen and sample site recorded in the field. |
| | • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. | • All field descriptions are qualitative in nature. |
| | • The total length and percentage of the relevant intersections logged. | • Not applicable, no drilling has been carried out. |
| *Sub-sampling techniques and sample preparation* | • If core, whether cut or sawn and whether quarter, half or all core taken. | • No core reported. |
| | • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. | • All samples were dry and presented to the laboratory “as is” |
| | • For all sample types, the nature, quality and appropriateness of the sample preparation technique. | • All samples were sent to ALS Laboratories in Perth for sample preparation and analysis using standard codes and practices. |

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| | • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. | • No subsampling undertaken |
| | • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. | • Field duplicates were taken on a 1:50 ratio which consisted of a second sample from the same location but from different pits. |
| | • Whether sample sizes are appropriate to the grain size of the material being sampled. | • A sample size of 50-100g of -80 mesh (-177 micron) soil material is considered representative for the size fraction and medium sampled. |
| *Quality of assay data and laboratory tests* | • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. | • Samples were submitted to ALS laboratories in Perth<br>• For gold analysis a 25 gram aliquot was digested in an aqua regia solution for a partial digest of gold and analyzed by ICP-MS (ALS technique Au-ST43) |
| | • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. | • No geophysical results discussed |
| | • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. | • The laboratory analysed a range of internal and industry standards, blanks and duplicates as part of the analysis.<br>• OREAS standards are inserted on a 1:50 ratio by staff in the field.<br>• All standards, blanks and duplicates were within acceptable levels of accuracy and precision. |
| *Verification of sampling and assaying* | • The verification of significant intersections by either independent or alternative company personnel. | • All significant anomalies have been ground truthed and mapped by senior company personnel. |
| | • The use of twinned holes. | • No twin holes have been drilled. |

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| Criteria | JORC Code explanation | Commentary |
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| | • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. | • Primary data is recorded in the field in geological log books. This data is then recorded in a spreadsheet and imported to a digital database software package. |
| | • Discuss any adjustment to assay data. | • No adjustments have been made to the assay data. |
| *Location of data points* | • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. | • Sample locations were recorded with a Garmin handheld GPS which has an accuracy of +/-5m. |
| | • Specification of the grid system used. | • GDA94 MGA Zone 50 and Zone 51 |
| | • Quality and adequacy of topographic control. | • The level of topographic control offered by the handheld GPS is considered sufficient for the work undertaken. |
| *Data spacing and distribution* | • Data spacing for reporting of Exploration Results | • Samples were collected on a 50mx25m grid spacing. |
| | • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. | • The data spacing and distribution is not sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource estimation purposes. |
| | • Whether sample compositing has been applied. | • Samples have not been composited. |
| *Orientation of data in relation to geological structure* | • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. | • Gridded samples potentially provide an indication of the strike direction of mineralization. All samples have been collect perpendicular to dominate regional structures and lithology. |
| | • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | • Not applicable, no drilling has been carried out. |

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| Criteria | JORC Code explanation | Commentary |
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| *Sample security* | • The measures taken to ensure sample security. | • Samples were collected, stored and delivered to the lab by field personnel. |
| *Audits or reviews* | • The results of any audits or reviews of sampling techniques and data. | • No audits or reviews have been undertaken. |

***Section 2 Reporting of Exploration Results***

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. | • The Strickland Gold Project is comprised of 7 granted and 3 pending Exploration Licenses (E77/2403, E77/2416, E77/2432, E77/2570, E30/488, E30/493, E30/494, E30/503, E16/495 and E16/498) which are held by Arrow (Strickland) Pty Ltd which is a 100% owned subsidiary of Arrow Minerals Limited.<br>• There are no JVs, Partnerships or overriding royalties associated with these tenements.<br>• There are no Native Title Claims over the tenements.<br>• The project is adjacent to the Mount Manning Range Nature Reserve. Available ground within the nature reserve was not pegged.<br>• Part of E77/2403, E77/2570 and E30/488 are located within the Proposed Mt Elvire Conservation Park. Mining and Exploration is allowed within the Mt Elvire Conservation Park. |
| | • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. | • Tenements E77/2403, E77/2416, E77/2432, E30/488, E30493, E30/494 and E16/495 have been granted and are currently live and in good standing.<br>• E77/2570, E16/498 and E30/503 are currently pending and in good standing with no known impediments. |

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| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Exploration done by other parties* | • Acknowledgment and appraisal of exploration by other parties. | • This report refers to data generated by Arrow Minerals.<br>• Historical exploration of the project area has been discussed in previous ASX announcements.<br>• The Rainy Rocks prospect (in and around T1) has been explored and prospected by numerous parties over the years. The area has old shafts and evidence of historical drilling. There does appear to be additional ground disturbance in the area but no record of those activities. |
| *Geology* | • Deposit type, geological setting and style of mineralisation. | • The Strickland Project is located over granite greenstones of the Yilgarn Craton within the Southern Cross Domain. The project covers a majority of the Yerilgee Greenstone Belt as well as the South Elvire Greenstone Belt and the NE extension of the Evanston Greenstone Belt.<br>• This geological setting is prospective for shear hosted / orogenic gold style of mineralization as well as VMS base metal, nickel sulfide and nickel-cobalt laterite mineralization. |
| *Drill hole Information* | • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:<br>o easting and northing of the drill hole collar<br>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar<br>o dip and azimuth of the hole<br>o down hole length and interception depth<br>o hole length.<br>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. | • No drilling discussed. |

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| Criteria | JORC Code explanation | Commentary |
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| *Data aggregation methods* | • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. | • No weighting averaging techniques or cut-offs reported. |
| | • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. | • No aggregate intercepts reports. |
| | • The assumptions used for any reporting of metal equivalent values should be clearly stated. | • No metal equivalent values reported. |
| *Relationship between mineralisation widths and intercept lengths* | • These relationships are particularly important in the reporting of Exploration Results.<br>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.<br>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). | • No drilling intercepts reported. |
| *Diagrams* | • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. | • Refer to figures within the announcement. |
| *Balanced reporting* | • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | • Diagrams clearly show higher and lower grade areas resulting from plotting all of the assays results.<br>• Descriptive Statistics of project scale soils data (n > 9,000):<br>Min: <0.1ppb<br>Mean: 3.5ppb<br>Median: 1.8ppb<br>Max: 610ppb<br>Std Dev: 14.2ppb |

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| *Other substantive exploration data* | • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | • All meaningful and material exploration data has been reported. |
| *Further work* | • The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). | • Fence-line will be completed over high ranking prospects and deeper drilling completed over confirmed mineralised targets.<br>• Further multielement, hyperspectral and petrographic work will be undertaken as required to further the geological understanding of mineralisation intersected to date.<br>• Petrophysics will be carried out over drill core samples with an aim of determining an appropriate ground geophysics technique to aid targeting of mineralisation.<br>• Further close spaced airborne magnetics will be completed over priority camp scale targets<br>• Ground gravity data will be collected across the project area to assist with ongoing lithostructural interpretations. |
| | • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | • Refer to figures within the announcement. |

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