

Arrow finds new target in Guinea



Arrow has struck an agreement to acquire up to 60.5% of the Simandou North iron ore project in Guinea

Now entirely focused on West Africa, Arrow Minerals Ltd is keeping one eye on the long-awaited delivery of critical infrastructure in the world's largest undeveloped iron ore province after inking a deal to begin exploring a northern extension to the prolific Simandou group of projects in Guinea.

In late October, Arrow executed a binding definitive agreement formalising the commercial terms upon which the company can earn a 60.5% controlling interest in Amalgamated Minerals Pte Ltd, a private Singaporean-registered company which owns 100% of the Simandou North iron ore project.

Sitting at the northern end of the Simandou Range, the project is an extension of the stratigraphy which hosts Winning Consortium Simandou's (WCS) Block 1 & 2 deposits (1.8bt @ 65.4% iron) as well as the Block 3 & 4 projects (2bt @ 65.5% iron) held by Rio Tinto Simfer.

A major breakthrough in the storied history of the Simandou group of projects was realised last July when the Government of Guinea, Simfer and WCS established the La Compagnie du TransGuineen JV to co-develop the high-grade iron ore resources via the initial construction of a 670km railway extending from the Simandou Ranges to Forecariah on the coast where a deep-water port and ship loading infrastructure will be built.

The \$US15 billion shared proposed infrastructure project is earmarked for completion by December 2024, ending almost two decades of stalled development plans for the Simandou area.

Arrow managing director Hugh Bresser said the large capital investment from the three parties would go a long way to unlocking a host of "low-risk" opportunities for others in the region.

"With the infrastructure agreements with the Guinean Government now in place and the construction of the rail and port facilities under way, all of a sudden that area has opened up...and because it's open access infrastructure, the area will be massively de-risked," Bresser told **Paydirt**.

"It's like the Pilbara in the 1950s when there was no infrastructure, but now it's coming and we have the northern extension which we're looking to expand the value of through discovery of large-scale iron ore deposits."

Arrow pounced on Simandou North after completing extensive due diligence on the project, including several site visits by company directors and intensive reviews from reputable legal firms in Australia, Singapore and Guinea.

Under the agreement with Amalgamated Minerals, Arrow immediately earns 33.3% of the project for the issue of 500 million shares and must spend \$2.5 million on exploration within 24 months. The company can lift its stake to 60.5% via the issue of a further \$1 million in shares or cash.

Bresser said the company initially planned to complete mapping and geochemical work over Simandou North, as well as reprocessing of historical geophysics, with the aim of undertaking maiden drilling early in 2023.

"One of the things we managed to find as part of the due diligence was a digital database for the geophysical survey that was flown by Vale and BSGR," Bresser said.

"We've been able to identify that raw data, so fortunately we'll be able to re-process that using modern software and evaluate that data to identify the areas of potential high-grade iron ore, because we really want to position the company into

that green steel environment.

"As the steel industry moves into the decarbonisation world, we see this as an opportunity to find more of those high-grade materials which can feed directly into the green steel environment."

In conjunction with the definitive agreement over Simandou North, Arrow announced that resources industry veteran Tommy McKeith would assume the role of non-executive chairman, with Frazer Taibert continuing as a non-executive director and former Iron Ore Holdings and BCI Minerals Ltd managing director Alwyn Vorster also joining the board.

Meanwhile, Arrow is set to boost its cash position through the sale of its Strickland and Malinda projects, both in Western Australia, reaffirming the company's commitment to West Africa. However, there are no plans to revive activity at the Vrasno gold project in Burkina Faso due to ongoing security concerns following two military coups in country within the last year.

"We were fortunate to get last season's work done before everything started to unravel there," Bresser said. "It's a very, very good project and we would like to move it forward but until I'm comfortable that it's safe and secure, I have no intention of sending any more people out into the field. I don't want to put peoples' lives at risk."

Arrow is also keeping a watching brief over the pending sale of the Perkoa zinc mine, owned by Trevali Mining Corp, the company's JV partner at Vrasno. Trevali closed the mine in April following a flooding event which resulted in eight fatalities and has since entered voluntary administration.

Despite the well-documented geopolitical challenges of the region, Bresser remains confident that Arrow can ultimately be successful in West Africa.

"West Africa has a mammoth amount of potential and governments are trying to improve the lives of their people and they see mining as being a fundamental key in making that happen," he said.

"There's numerous high quality assets, there's government support and there's opportunity for the application of modern technologies in historical data sets to really amplify the value proposition of West Africa. It has been a beautiful place to work for many years, but I think we're coming to a point now where we're actually seeing the value of that commitment and time already spent."

– Michael Washbourne