

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2018

HIGHLIGHTS:

- **Strickland Gold – 19,000m aircore drilling programme completed at T1, T2, T6 and T8 with results from T6 and T8 announced**
- **Gold bearing structures identified at T6 and T8, with significant bedrock gold anomalies defined at both prospects**
- **TSX-V listed Pacton Gold acquires 51% of Pilbara Gold Project for C\$750,000**
- **Independence Group NL becomes Arrow's largest shareholder following strategic investment**

Capital Structure:

ASX Code:	AMD
Share price (30/07/18):	2.2¢
52 week range:	2.0¢ - 10.0¢
Shares on issue (AMD):	307.0m
Options on issue (AMDOA):	120.9m

Board and Management:

Steven Michael	Managing Director
Dr Frazer Tabcart	Non-Executive Director
Nicholas Ong	Non-Executive Director
Dean Tuck	Exploration Manager
Matthew Foy	Company Secretary

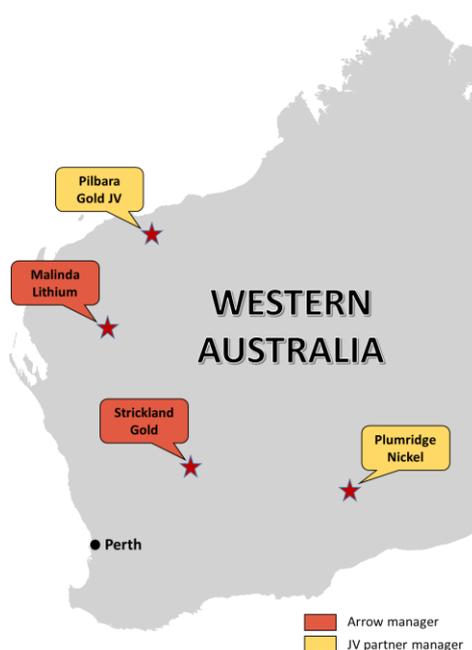


Figure 1 – Project location map

JUNE QUARTER REVIEW

At the Strickland Gold Project, Arrow completed a 19,000m aircore drill programme targeting the T1, T2, T6 and T8 prospects. The drilling has confirmed gold mineralisation in several different geological settings, each having distinct characteristics analogous to known gold deposits across Western Australia. This will enable more efficient and effective future exploration programmes, targeting key mineralised structures.

Drilling at the T6 Prospect delineated four bedrock gold anomalies, with BARAC0477 intersecting 56m @ 0.8g/t from surface, including 24m @ 1.6g/t and 9m @ 3.3g/t. In addition, the drilling identified a major gold bearing horizon, which provides a mappable unit to be targeted by infill drilling in the September quarter.

Drill results from the T8 Prospect have delineated a 1.8km x 400m gold bedrock anomaly which remains open to the south along a mineralised structure. This structure will provide the focus for follow up drilling.

Arrow received \$2.36 million through a \$1 million placement to Independence Group NL (IGO) and a 2nd tranche equity raising of \$1.36 million. IGO has become Arrow's largest shareholder with an 11% interest in the Company.

Arrow also completed the sale of 51% of its Pilbara Gold Project to Pacton Gold Inc. (TSXV: PAC) (**Pacton**) in consideration for payment of C\$500,000 in cash and C\$250,000 in Pacton shares.

The Company remains in a very strong financial position with cash, receivables and investments in listed companies totalling \$5.0 million.

STRICKLAND GOLD PROJECT (AMD 100%)

Maiden Aircore Drill Programme Results

Arrow completed a major aircore drilling programme at the Strickland Gold Project (**Strickland**), located 100km west of Menzies in the Eastern Goldfields of Western Australia (**Figure 2**). The aircore drilling programme covered the T1, T2, T6 and T8 Prospects and was designed to test the extents of the soil anomalies, better define underlying geology and potential structural controls, and delineate bedrock gold anomalism at the base of weathering (saprolite/bedrock interface).

A total of 1,097 holes for 19,200m (average hole depth of 18m) were drilled across the four prospects on an initial 400m x 80m spacing. Some lines were closed in to 40m or 20m spacing where depth to basement was shallow. During the quarter, assay results from T6 and T8 drilling were announced with five bedrock gold anomalies defined. Results from the T2 Prospect were released subsequent to the quarter and assay results from T1 are expected to be received in early August 2018.

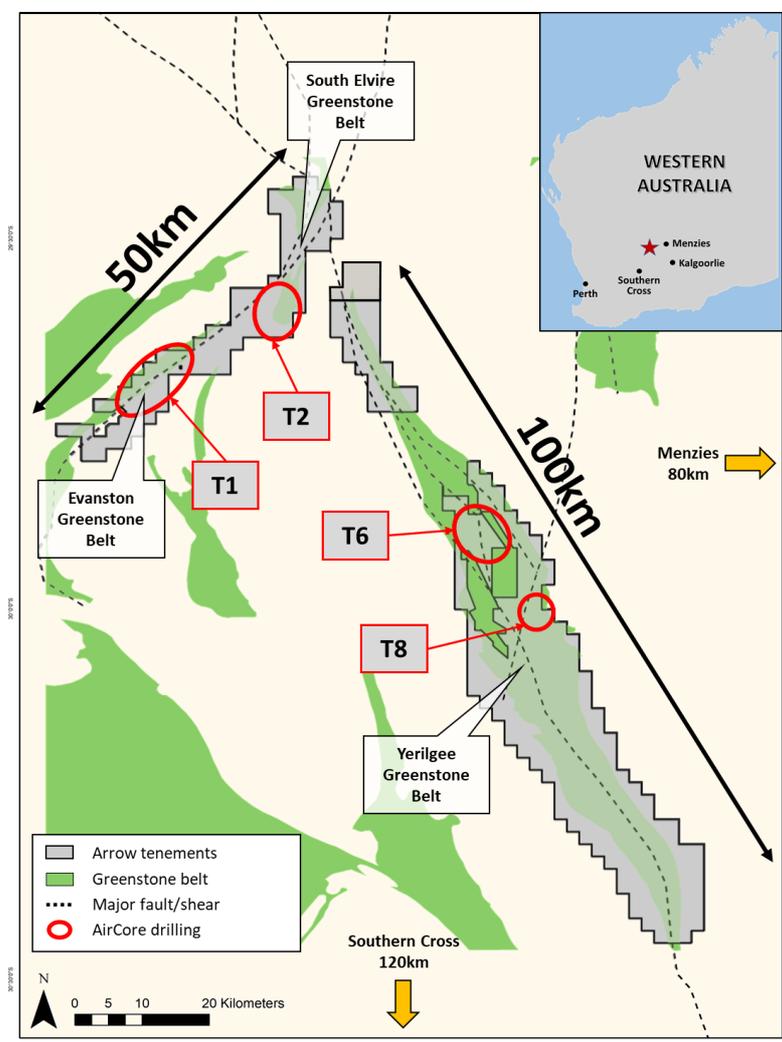


Figure 2: Strickland project location map showing aircore drilling targets

T6 Prospect

During the quarter, Arrow completed a total of 394 holes for 7,937m (average hole depth of 20m) on a 400m x 80m spacing at the T6 Prospect. The aircore drilling programme intersected bedrock gold mineralisation in multiple adjacent drill lines across four bedrock anomalies, ranging from 1.5km to 3.5km in strike length (**Figure 3**).

The aircore drilling programme has delineated four gold in bed rock anomalies at T6:

- **T6a** – 1.5km x 300m gold-in-bedrock anomaly hosted within a BIF-ultramafic-sediment package adjacent to a felsic porphyry intrusion;
- **T6b** – 1.7km x 300m gold-in-bedrock anomaly hosted around narrow BIFs within a felsic and ultramafic volcanic package;
- **T6c** – 3.5km x 300m gold-in-bedrock anomaly located along a major shear bend at the contact of felsic and lamprophyre intrusions and ultramafic volcanics; and
- **T6d** – 3km x 100-500m wide gold-in-bedrock anomaly located along several splays off a major project scale shear and a mineralised porphyry intrusion.

The T6a Prospect has produced significant drill intercepts, including:

- 56m @ 0.8g/t from 0m to EOH, including **24m @ 1.6g/t** and **9m @ 3.3g/t** (BARAC0477);
- 34m @ 0.3g/t from 0m, including 6m @ 0.6g/t and **3m @ 0.9g/t** (BARAC0457); and
- 45m @ 0.4g/t from 6m, including **8m @ 0.9g/t** and **1m @ 2.1g/t** (BARRC025)¹.

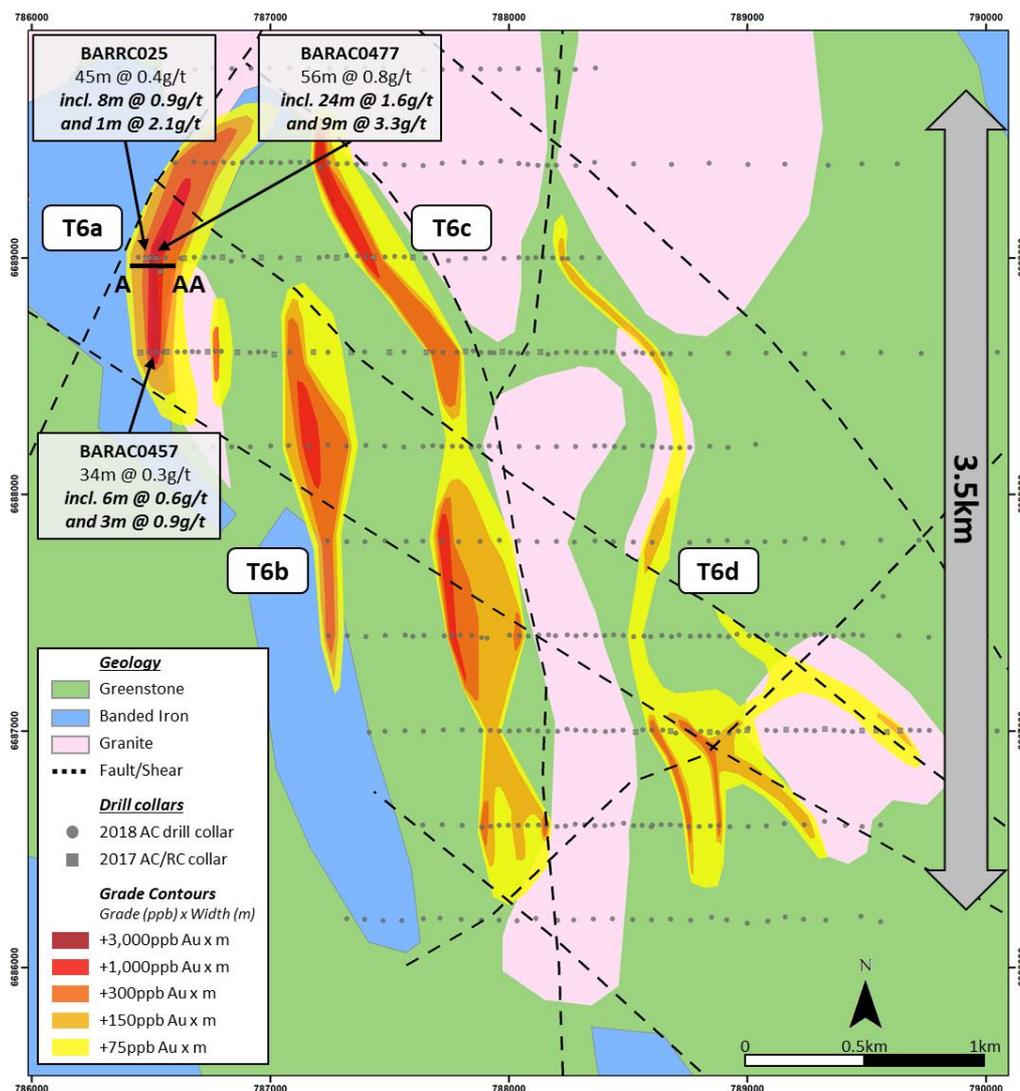


Figure 3: T6 Prospect – plan view showing gold grade contours and significant drill results

¹ Previously announced on 24 January 2018.

Arrow has confirmed the gold bearing horizon at T6a as a siliceous sulfidic unit within the lower BIF (**Figure 4**). The mineralised unit has a true width of around 50m and has been confirmed through drilling over a strike length of 1.5kms. The T6b Prospect has a similar mineralised horizon, potentially structurally offset, with a strike length of 1.5kms.

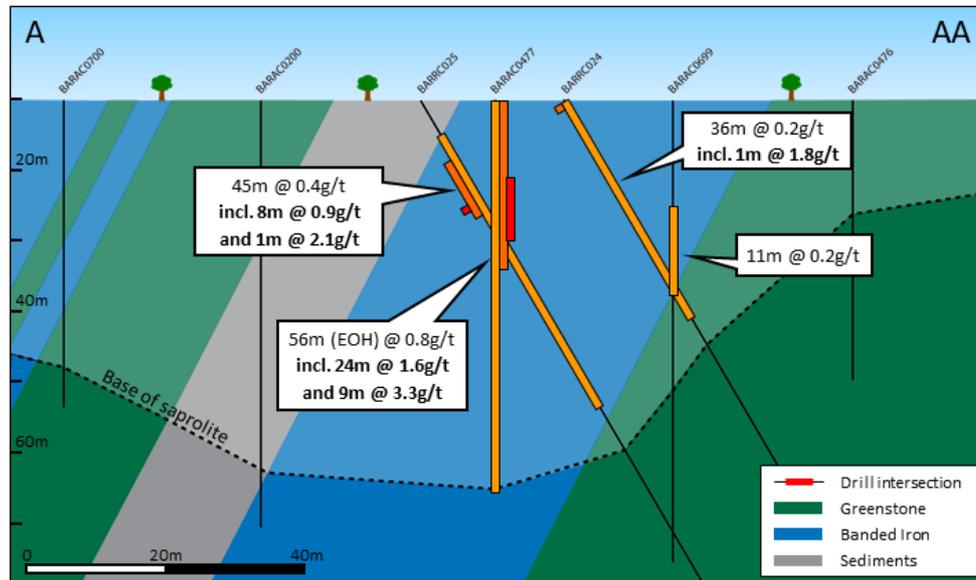


Figure 4: T6 Prospect – section A-AA showing significant gold intersections

In addition, end of hole multielement analysis returned multiple zones of As-Sb-Bi-Mo-Te-W anomalism (>10x crustal abundance) in proximity to interpreted key structures. These pathfinder elements are indicative of orogenic gold systems and indicate a highly fertile mineralisation system.

The drill results from the T6 Prospect demonstrate the potential for substantial gold mineralisation and the identified host horizon provides a mappable unit which will be targeted by infill drilling to test the strike and depth extent of gold mineralisation.

T8 Prospect

Arrow completed a total of 78 holes for 2,484m (average hole depth of 32m) on a 400m x 80m spacing at the T8 Prospect. The aircore drilling programme has delineated a 1.8km x 400m gold bedrock anomaly which remains open to the south along a mineralised structure (**Figure 6**). Importantly, the soil anomaly has proven to be largely in-situ, directly overlying bedrock mineralisation (**Figure 5**). The drill programme has also significantly enhanced the understanding of the geological setting and structural controls on mineralisation. Massive quartz breccias and quartz carbonate veins were intersected in the drilling with minor felsic dykes intruding the local structures. Gold mineralisation was associated with these structures and will be a focus of future in-fill drill programmes.

Two sections across the T8 Prospect (**Figures 7 & 8**) demonstrate the thickness and extent of gold mineralisation in the saprolite and cover sequences. Some of the better results include:

- 57m @ 0.16g/t Au from 0m, including 3m @ 0.61g/t Au and 3m @ 0.40g/t Au (BARAC0244)
- 45m @ 0.13g/t Au from 0m, including 3m @ 0.54g/t Au and 3m @ 0.37g/t Au (BARAC0246)
- 27m @ 0.41g/t Au from 0m, including 3m @ 1.13g/t Au and 3m @ 0.55g/t Au (BARRC013)²

² Result previously reported, see announcement on 11 December 2017

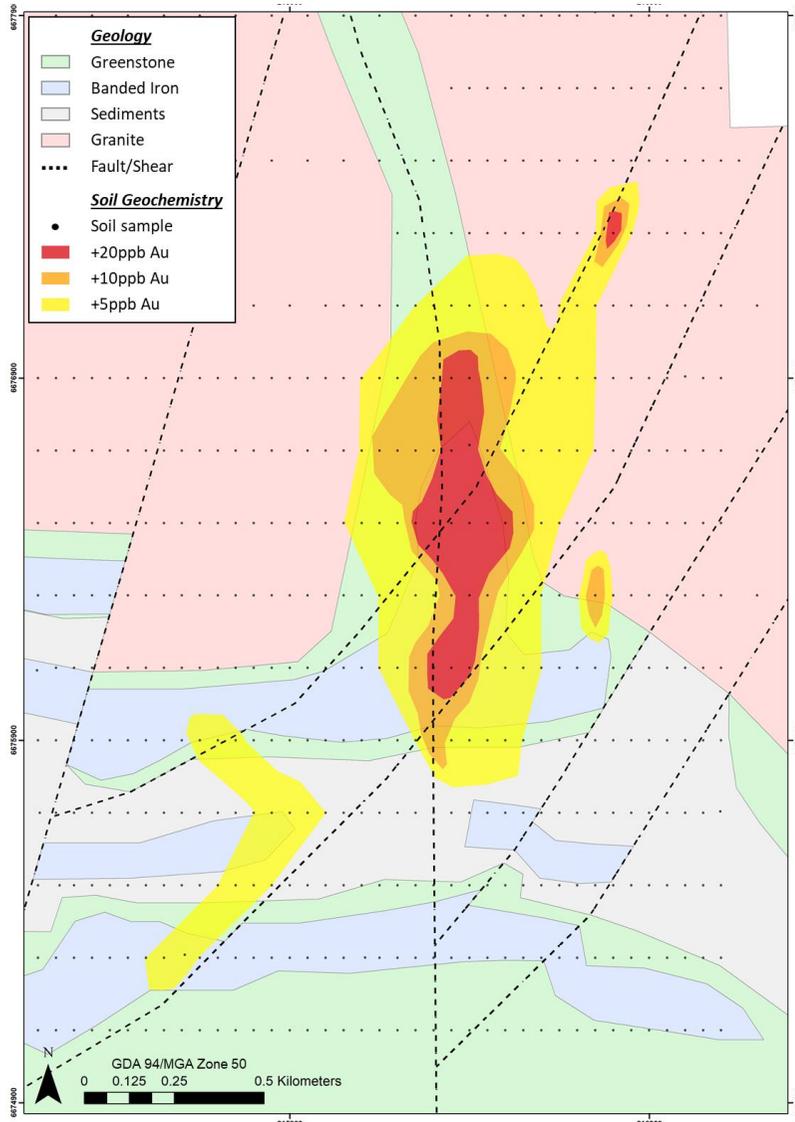


Figure 5: T8 Prospect – gold-in-soil anomaly

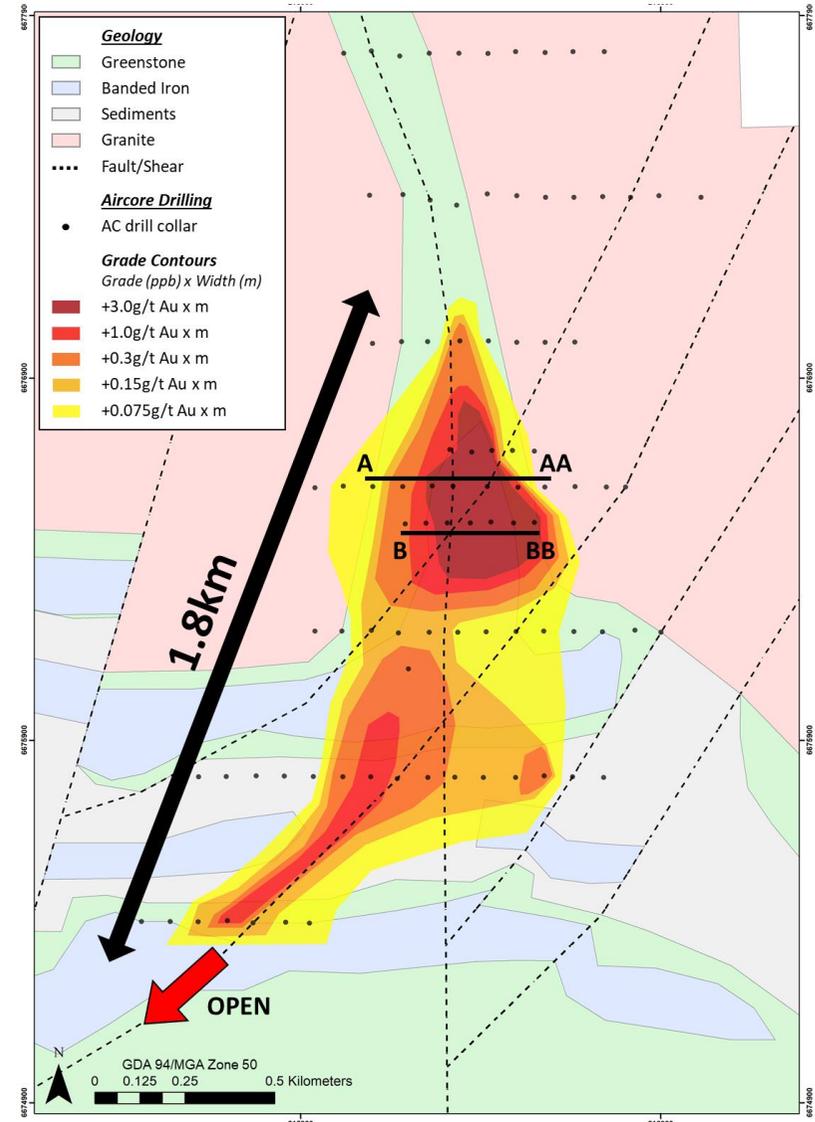


Figure 6: T8 Prospect – aircore drilling gold anomaly (ppb Au x metre contours)

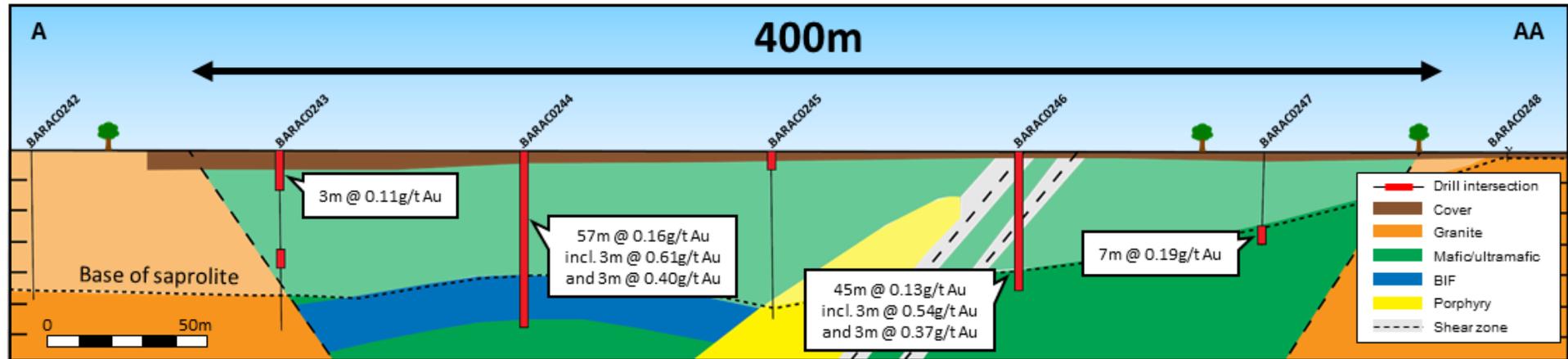


Figure 7: T8 Prospect – cross section through A-AA (Figure 6)

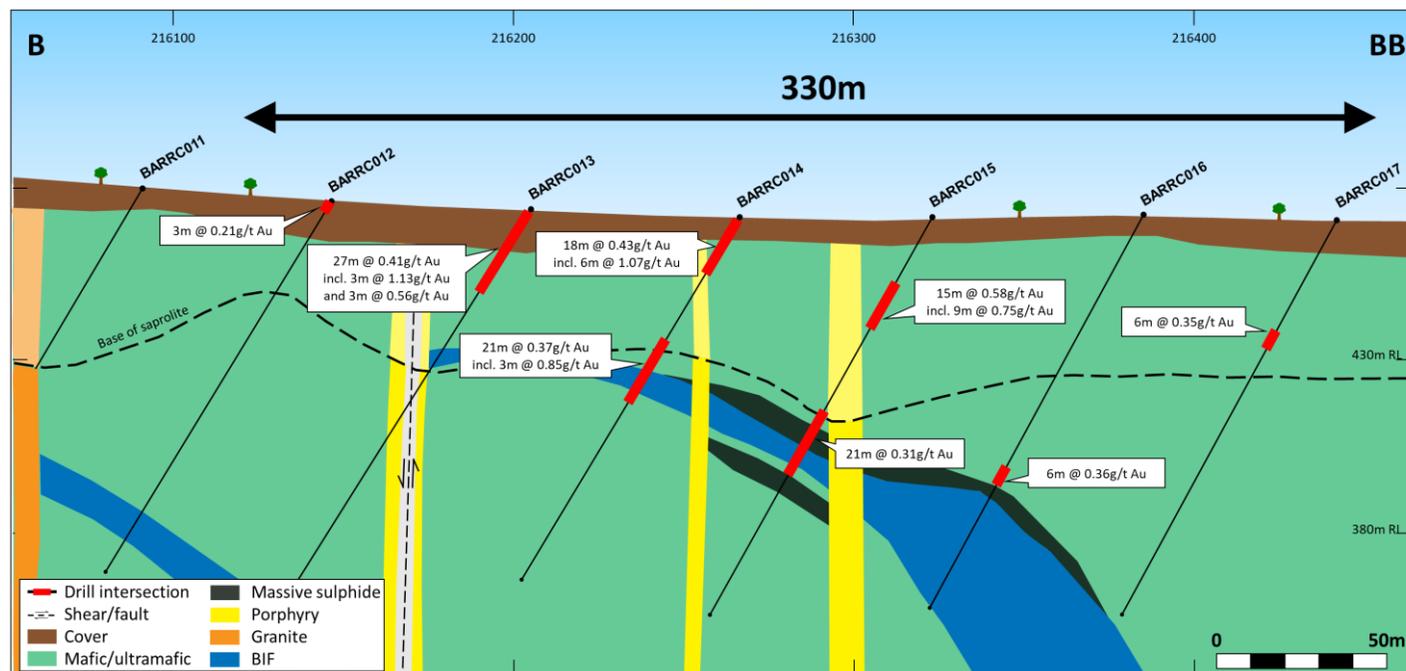


Figure 8: T8 Prospect – cross section through B-BB (Figure 6) from 2017 RC drill programme using original 3m composite gold results for comparison

T2 Prospect

Arrow completed a total of 213 holes for 3,539m (average hole depth of 17m) at the T2 Prospect. Holes were drilled on a 400m x 80m spacing with some holes closed in to 40m spacing in proximity to previous drilling at T2. In addition to drilling, detailed mapping and litho-structural interpretation has been ongoing, which has significantly enhanced the understanding of the underlying geology and structural controls on gold anomalism and mineralisation. The combined programme has delineated four gold in bedrock anomalies (**Figure 9**):

- **T2a** – 2.3km x 200m gold-in-bedrock anomaly hosted between the granite and greenstone, with coincident Bi-Mo-Te anomalism;
- **T2b** – 3.5km x 300m gold-in-bedrock anomaly hosted at the intersection of a major N-S sheared ultramafic contact with mafic amphibolite and cross cutting structures with coincident As-Bi-Mo-Te-W anomalism;
- **T2c** – 1.0km x 200m gold-in-bedrock anomaly located within a brecciated BIF sequence near the hinge of the thrust syncline with coincident Sb-W-Bi-Mo anomalism; and
- **T2d** – 2.5km x 200-500m wide gold-in-soil anomaly located within a 10-20m wide sheared granite with intense epidote alteration and quartz veining with coincident Bi-Te anomalism.

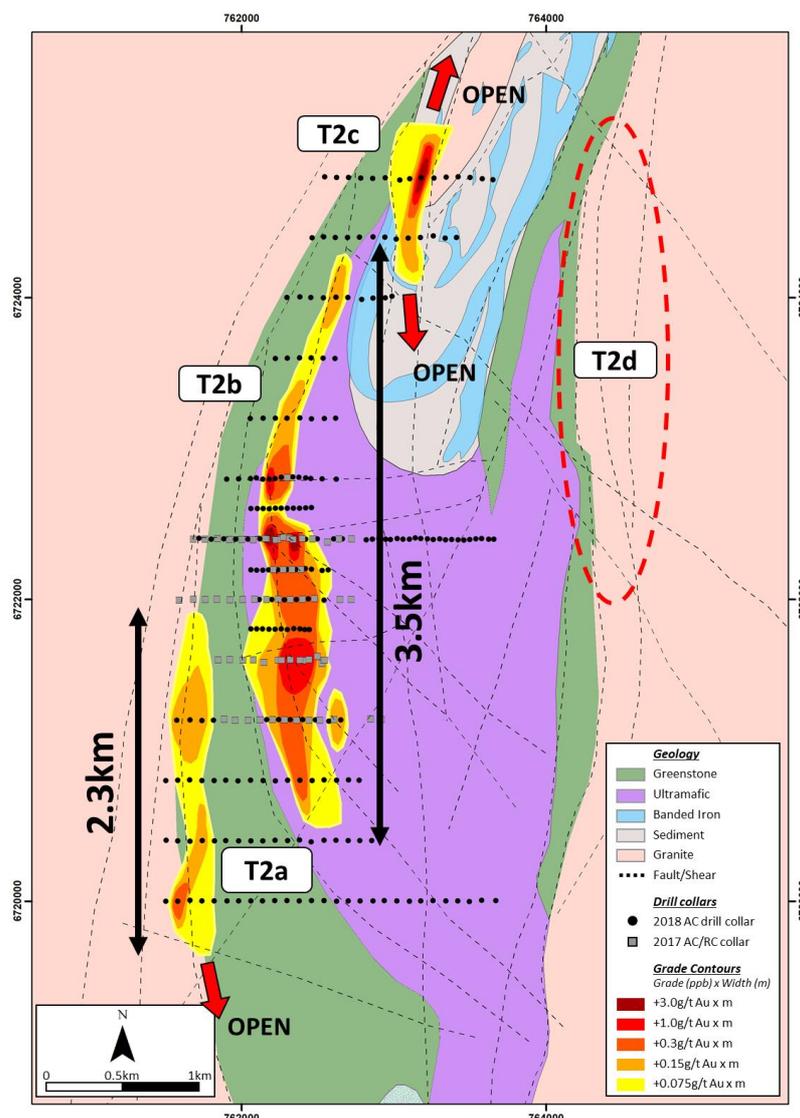


Figure 9: T1 Prospect – plan view showing gold-in-soil anomalies and drill collars

A substantial amount of transported cover was encountered at T2, resulting in broad geochemical anomalies. The aircore drilling programme has defined discrete bedrock targets at T2a and T2b and identified key geological structures. In addition, drilling at the T2c Prospect, where soil sampling was ineffective due to transported cover, produced 41m @ 0.2g/t from 32m, including 3m @ 0.9g/t.

The drilling and mapping programmes have significantly enhanced the understanding of the geological setting and structural controls on mineralisation and constrained broad surface geochemical anomalies into discrete bedrock targets. In addition, the drilling has confirmed gold mineralisation in several different geological settings, each having distinct characteristics analogous to known gold deposits across Western Australia. This will enable more efficient and effective future exploration programmes, targeting key mineralised structures.

Arrow has commenced a high resolution aeromagnetic survey at T2, which will be completed prior to the completion of the first pass drilling across T2c and T2d which is expected in 4Q 2018. The aircore drilling programme at the T2 Prospect will include the completion of 400 x 80m spaced drilling over T2c and T2d and close spaced drill holes over priority structural targets at T2b.

T1 Prospect

During the quarter, Arrow has also completed wide-spaced aircore drilling at the T1a and T1b Prospects located in the Evanston Greenstone Belt. The T1 Prospect is defined by two 3.5km x 1.0km gold-in-soil anomalies and is within a mineralised zone which hosts the historical Evanston Mine and numerous historical prospector workings at Rainy Rocks and Yahoo.

A total of 412 holes were drilled for 5,254m (average hole depth 13m) on a nominal 400m x 40m spacing over the majority of the T1a and T1b prospects (**Figure 10**).

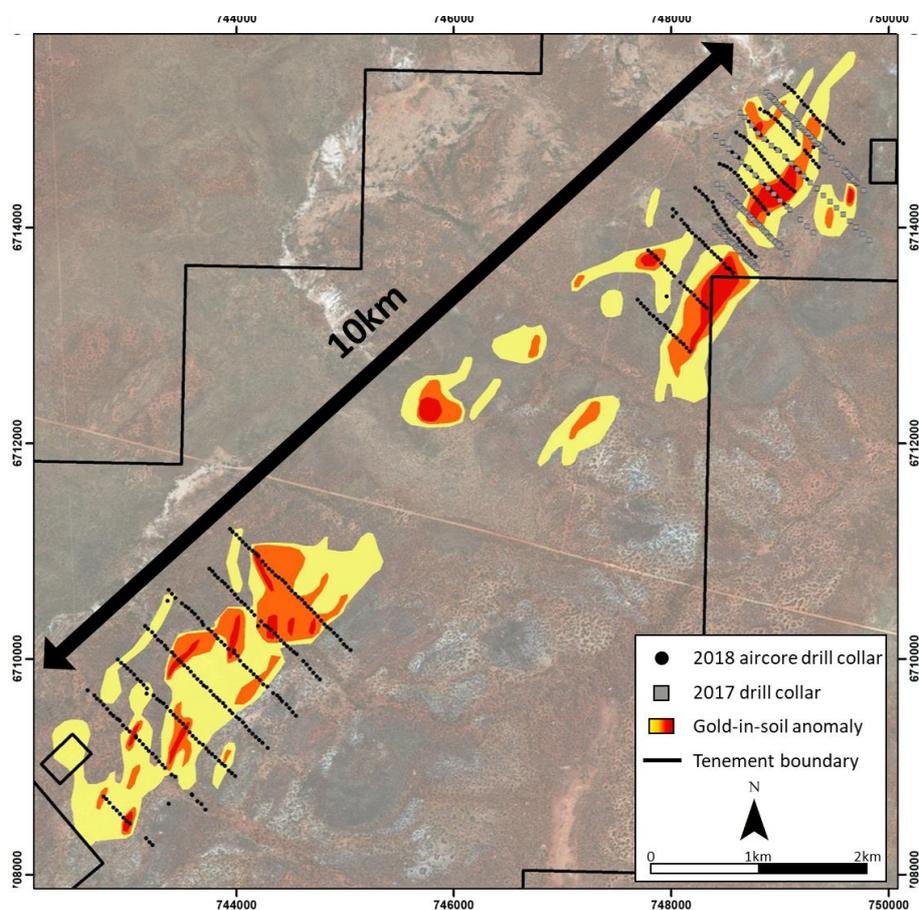


Figure 10: T1 Prospect – plan view showing gold-in-soil anomalies and drill collars

Closer spaced 200m x 40m drilling was completed in proximity to Arrow's 2017 drill holes (*see announcement on 14 September 2017*), which included:

- 15m @ 1.5g/t from 12m, including **3m @ 6.7g/t** (BARRC007)

The geological setting at T1 is dominated by ultramafic rocks with several BIF horizons mixed with sediments, intermediate and mafic volcanics and minor felsic intrusions within close proximity of the Evanston Shear. The setting of T1a is analogous to the BIF hosted high grade Copperhead gold deposit in the Southern Cross Belt which produced over 1Moz of gold.

All samples have been delivered to the lab with results expected in August 2018.

Aeromagnetic Survey and Geological Mapping

Arrow flew an airborne magnetic survey over a large portion of the Strickland Gold Project to provide 100m line spaced coverage over the southern portion of the Yerilgee Greenstone Belt and a detailed survey at the T1 Prospect to assist with geological mapping and interpretation.

The aeromagnetic survey over the T1 Prospect consisted of 25m flight lines which has significantly increased the resolution of the magnetic data (**Figure 11**). The T1 Prospect is a largely stripped terrain with abundant outcropping fresh rock. The high resolution magnetics were used in conjunction with detailed geological and structural mapping to focus the aircore drilling programme on areas of structural and geochemical anomalism.

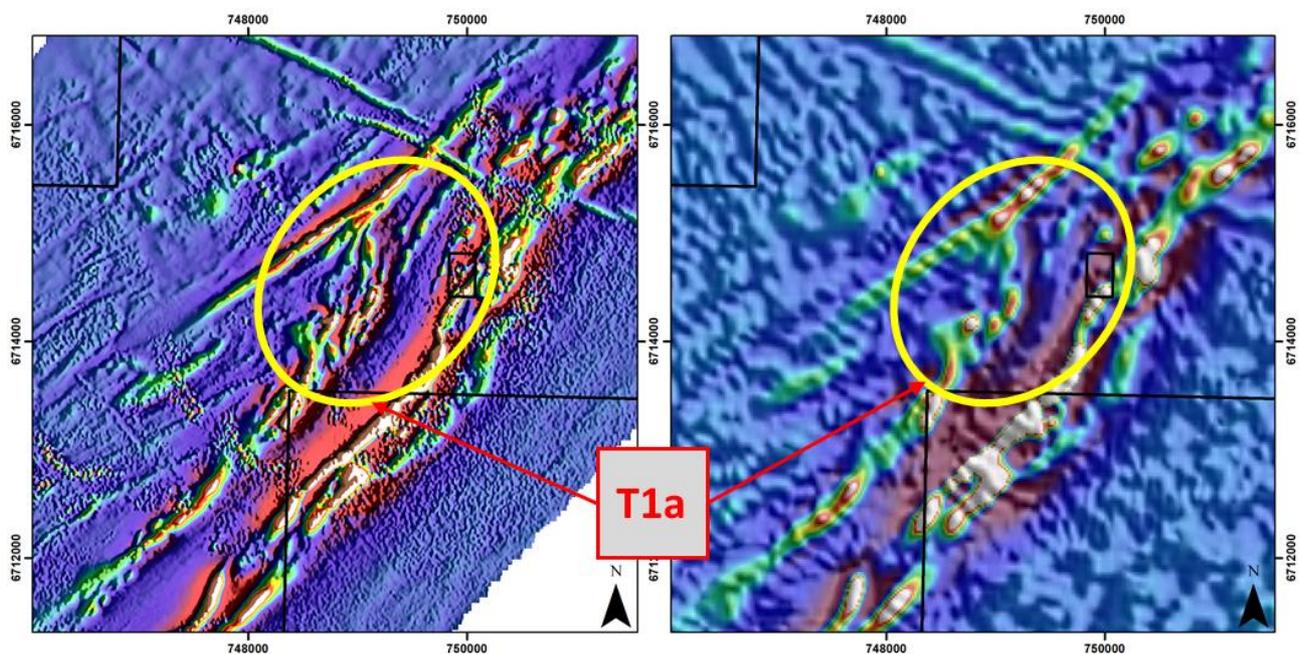


Figure 11: T1a Prospect – detailed magnetic survey (left) vs regional magnetic survey (right)

In addition to the detailed aeromagnetic survey at the T1 Prospect, Arrow acquired 100m line spaced magnetics over the southern portion of the Yerilgee Greenstone Belt. This survey covered the T11, T12 and T14 Prospects a new exploration licence (E16/498) which has no historical gold exploration.

Project Scale BLEGs Programme Complete

Project scale bulk leach extractable gold (BLEG) sampling has now been completed over the entire Strickland Gold Project area. An additional 283 samples were collected at a 1km x 1km spacing to bring the total number of BLEGs collected over Strickland to 1,036 (**Figure 12**).

The results of the BLEG sampling programme has identified five new target areas T15, T16, T17, T18 and T19 as well as an application for a new tenement to the north of E30/488 (adjacent to T18). All new target areas sit within prospective litho-structural settings and have coincident pathfinder anomalism (As, Bi, Mo, Sb and/or W).

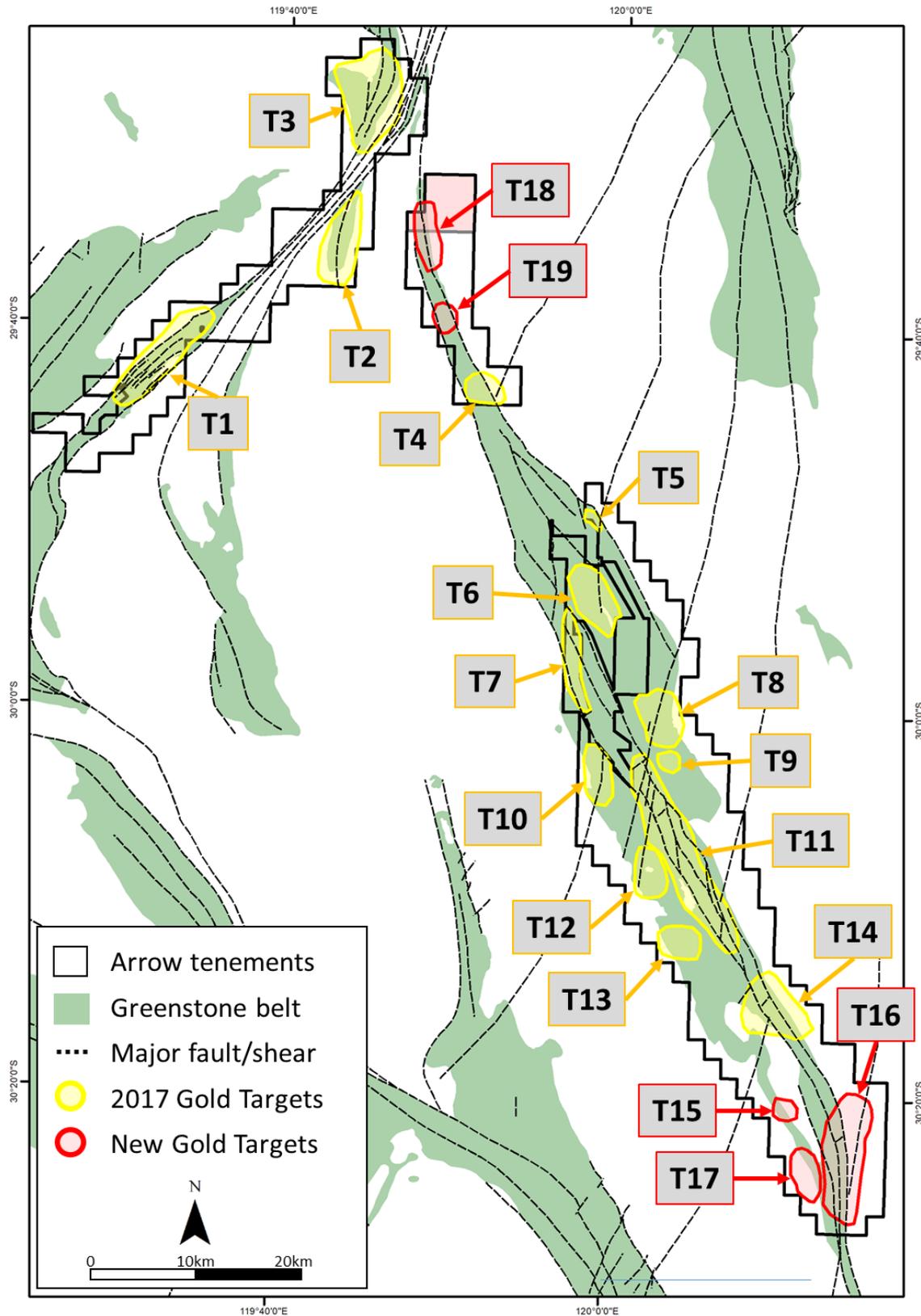


Figure 12: Results of new BLEG survey showing new gold targets

MALINDA LITHIUM PROJECT (AMD 100%)

The Malinda Lithium Project (**Malinda**) is located 120km north-east of Gascoyne Junction in the Gascoyne Region of Western Australia. Exploration conducted by Arrow in 2017 identified several lithium and tantalum-bearing pegmatites associated with fertile granite intrusions.

Arrow completed a maiden reverse circulation drilling programme of four outcropping pegmatites in September 2017, intersecting up to 2.0% Li₂O (lithium) and over 800ppm Ta₂O₅ (tantalum). In addition, XRD analysis of high-grade lithium samples confirmed the primary lithium-bearing mineral as spodumene.

During the quarter, Arrow acquired a high resolution (3cm) aerial image and digital terrain model over the prospect area. The high resolution aerial image is being used to identify and map the outcropping occurrences of the pegmatites in conjunction with ground mapping to determine the distribution and structural controls on the pegmatite swarms.

Litho-structural mapping and interpretation is being used to systematically rock chip pegmatite occurrences across the prospect to identify the fractionation trends of the pegmatite system. This information will be used to target drilling over thicker and more mineralised zones within the pegmatite swarm. Approximately 200 rock chips have been collected and sent to ALS Laboratories for analysis. Assay results are expected to be received in late August 2018.

The detailed imagery and ground mapping has identified strike continuations of the Tomahawk pegmatite under thin transported cover material (**Figure 13**). Arrow has confirmed pegmatite subcrops through the transported material, significantly enhancing the prospectivity of the northern areas to host highly fractionated and well-mineralised pegmatites.

Results from the rock chipping and lithostructural review will be completed in the second half of 2018 and be used for identifying and ranking targets for drill testing.

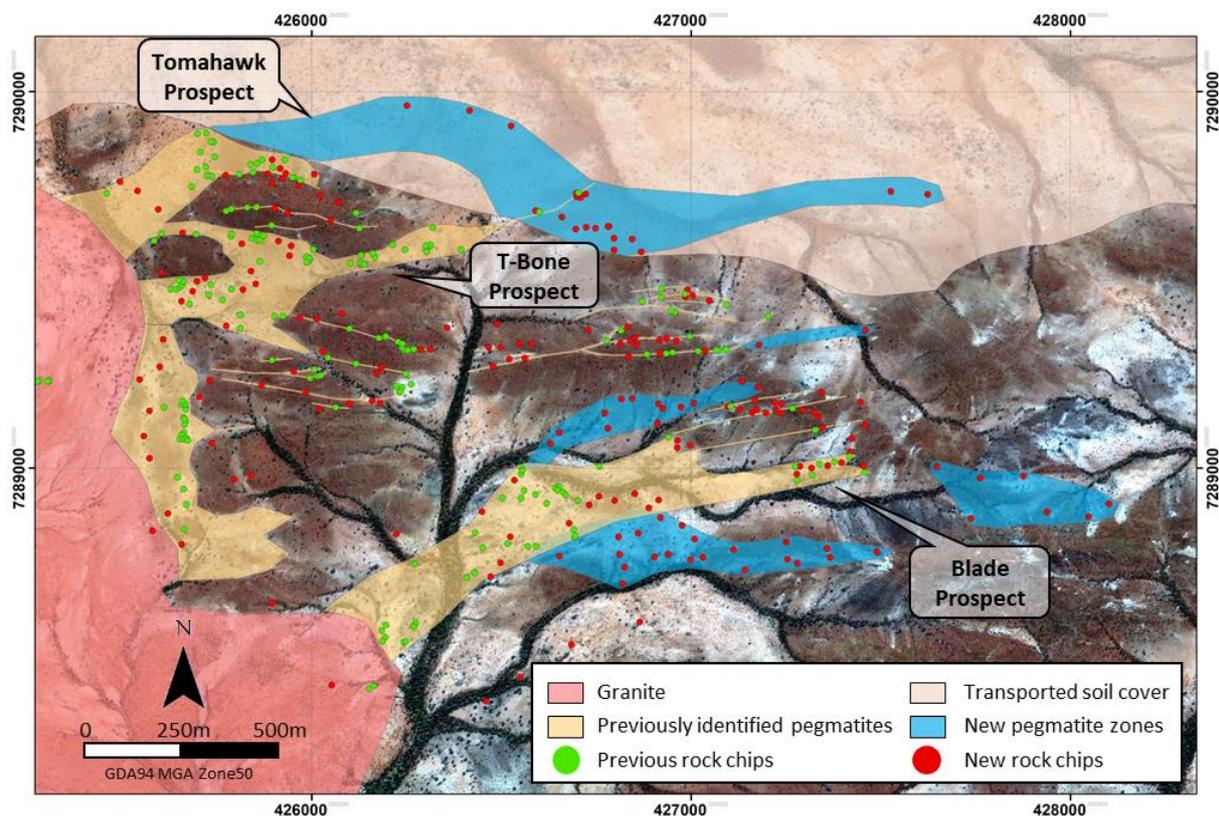


Figure 13: Malinda Project showing new pegmatite zones and rock chips

PLUMRIDGE NICKEL PROJECT (AMD 49%, Independence Group NL 51%)

During the quarter, Independence Group NL (IGO) completed an infill ground gravity survey over tenements E28/2267 and E28/2317 and acquired 2,633 line kilometres of airborne electromagnetics using Spectrem (**Figure 14**). In addition, planning and logistics in preparation for the upcoming 2018 regional aircore drilling programme was completed, including lodging POWs, planning out gridlines and an anthropological review.

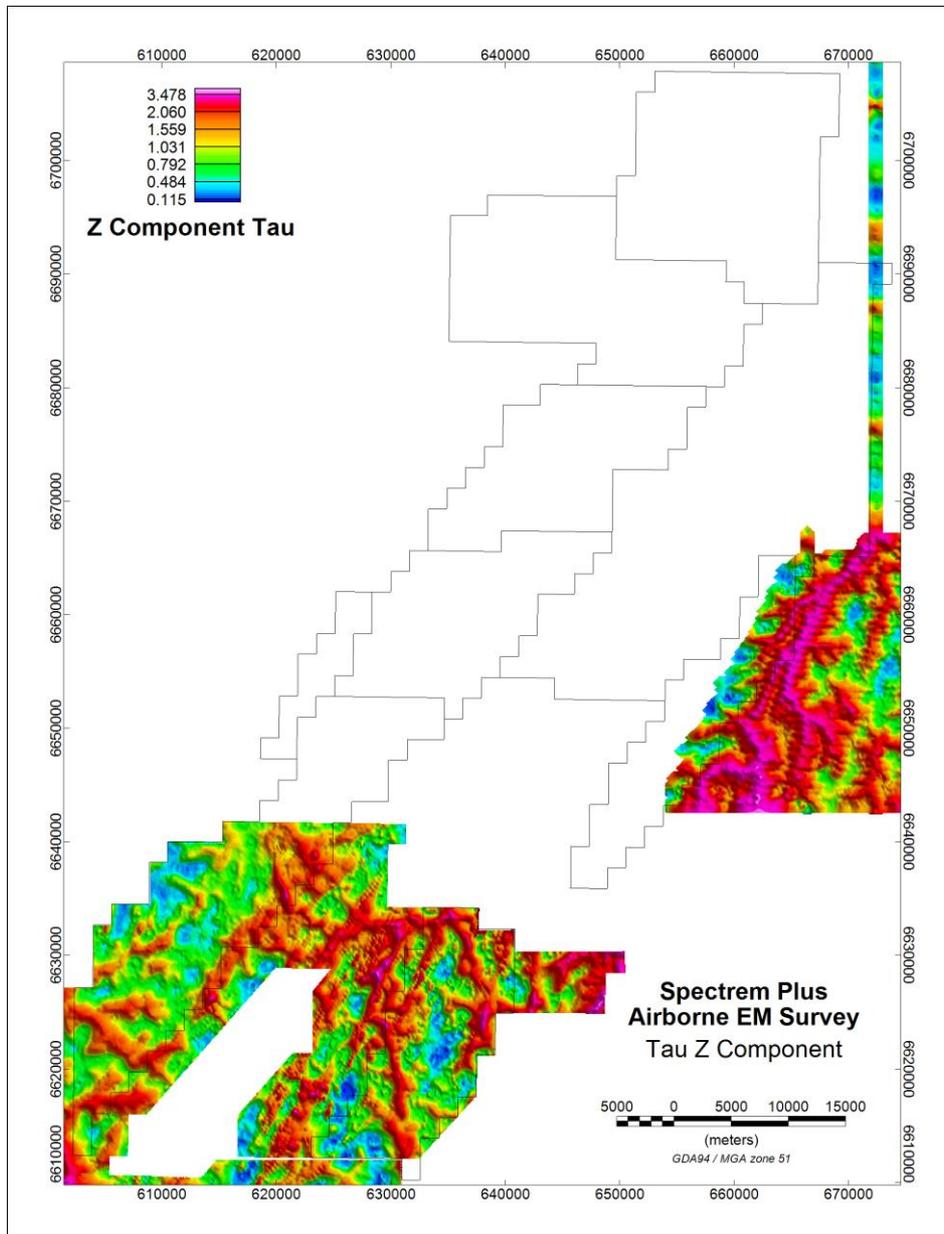


Figure 14: Spectrem Plus EM survey over Plumridge Nickel JV tenements

For the remainder of 2018, IGO is planning on completing:

- 50,000m aircore drill programme on gridlines spaced 3km apart with holes drilled every 800m along the gridlines (800 – 1,000 holes depending on hole depth);
- Spectrem airborne EM survey over the remaining Arrow tenements; and Moving Loop EM survey to follow up Spectrem and HeliTEM targets to commence in September; and
- Moving Loop EM survey to follow up Spectrem/HeliTEM targets to commence in September.

PILBARA GOLD PROJECT (AMD 49%, Pacton 51%)

During the quarter, Arrow announced it executed definitive agreements (**Agreements**) with Pacton Gold Inc. (TSXV: PAC) (**Pacton**) for the sale and joint venture of the Pilbara Gold Project (**Pilbara Gold Project**). The Agreements were submitted to the TSX Venture Exchange and approved.

The Pilbara Gold Project consists of two exploration licences and two exploration licence applications totalling 609km² in the Pilbara Region of Western Australia. The Pilbara Gold Project is highly prospective for conglomerate and basement gold targets, with prospectors discovering several gold nuggets at the Project in late 2017.

Pacton acquired a 51% interest in the Pilbara Gold Project through the payment of C\$300,000 with an additional C\$200,000 to be paid upon granting of the exploration licence applications (C\$100,000 paid on the grant of each application).

In addition to the cash payments, Pacton issued Arrow C\$250,000 of shares at a price of C\$0.23 per share with a 1 for 1 attaching warrant (3 year term, exercisable at C\$0.35), which are the same terms as a private placement completed by Pacton on 9 May 2018. Arrow received 1,086,957 common shares and 1,086,957 warrants in Pacton, which are held in escrow until 23 September 2018. The current market value of Arrow's shares and warrants in Pacton is approximately \$0.9 million.

Following completion of Tranche 1, Pacton has the option to acquire an additional 29% ownership interest in the Pilbara Gold Project, increasing its interest to 80%, by:

- Incurring exploration expenditure of C\$500,000 within 12 months; and
- Issuing Arrow with C\$250,000 worth of Pacton shares at the 5-day volume weighted average price (**VWAP**) immediately prior to the date of issue.

Once Pacton has reached an 80% interest in the Pilbara Gold Project, Arrow will be free-carried for the first C\$5,000,000 of expenditure. Arrow will receive a Discovery Bonus of C\$500,000 in cash upon Pacton publishing a gold resource at the Pilbara Gold Project of over 100,000 oz in accordance with National Instrument 43-101 (TSXV equivalent of the JORC Code).

Arrow retains all rights to explore, mine and extract lithium, caesium and tantalum.

PARDOO NICKEL PROJECT (Caeneus 100%)

During the quarter, the Company's joint venture partner, Caeneus Minerals Limited (ASX: CAD) (**Caeneus**) acquired the remaining 20% of the Pardoo Nickel Project (**Pardoo Project**). The Company and Caeneus agreed terms to finalise the acquisition of the remaining 20% interest it did not already own in consideration for a total cash payment of \$200,000 to be paid in two instalments comprising \$100,000 that was paid upon signing and an additional \$100,000 on or before 12 December 2018.

CORPORATE AND FINANCIAL

\$2.4M Received from Independence Group and 2nd Tranche Equity Raising

During the quarter, Arrow received \$2.36 million (before costs) through a \$1 million placement to Independence Group NL (ASX: IGO) (**IGO**) and the 2nd tranche equity raising of \$1.36 million (for full details of the placement to IGO and equity raising, see the Company's announcement on 5 February 2018).

Through this placement, IGO has become Arrow's largest shareholder with an 11% interest in the Company. IGO's shares are subject to a voluntary escrow, with 50% of the shares escrowed for 6 months and 50% of the shares escrowed for 12 months. Subject to regulatory approval, IGO will be given the right to participate in future equity raisings on a pro-rata basis.

Financial Position

Arrow remains in a strong financial position with \$5.0m in cash, receivables and listed investments. As at the end of the quarter, Arrow held cash of \$3.7 million and receivables of \$0.4 million from the sale of interests in the Pilbara Gold Project, Pardoo Nickel Project and Plumridge Gold Project. Arrow expects to receive all of these amounts by the end of 2018.

Arrow holds listed investments in Pacton Gold Inc. (TSC-V: PAC) and Caeneus Minerals Limited (ASX: CAD) with a market value of \$0.9 million. The shares and warrants held in Pacton Gold Inc. are escrowed until September 2018.

Change of Auditor

Arrow advised of the appointment of Pitcher Partners BA&A Pty Ltd as the Company's Auditors with effect from 6 June 2018. The appointment follows the resignation of Pitcher Partners Corporate & Audit (WA) Pty Ltd, and ASIC's consent to their resignation. The change of auditor has occurred as part of an internal restructure within Pitcher Partners.

In accordance with section 327C of the Corporations Act 2001 Cth, a resolution will be put to shareholders at the 2018 Annual General Meeting to ratify the appointment of Pitcher Partners BA&A Pty Ltd as the Company's auditor.

Capital Structure

The capital structure of Arrow is set out below:

Quoted Securities

Ordinary shares on issue (ASX:AMD)	306,976,322
Quoted options exercisable at 10.0¢ on or before 31/12/2019 (ASX:AMDOA)	120,872,133

Unquoted Securities

Unquoted options exercisable at 12.6¢ on or before 3/8/2018	714,285
Unquoted options exercisable at 17.5¢ on or before 30/6/2019	8,571,408
Unquoted options exercisable at 7.0¢ on or before 31/12/2019	13,146,469

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

Arrow Minerals Limited

Mr Steven Michael

Managing Director

E: info@arrowminerals.com.au

Competent Persons Statement

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

Appendix A – Schedule of Tenements as at 30 June 2018

Tenement ID	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
Strickland Gold Project				
E16/495	Granted	100%	0%	100%
E16/498	Application	0%	0%	0%
E30/503	Application	0%	0%	0%
E30/488	Granted	100%	0%	100%
E30/493	Granted	100%	0%	100%
E30/494	Granted	100%	0%	100%
E77/2403	Granted	100%	0%	100%
E77/2416	Granted	100%	0%	100%
E77/2432	Granted	100%	0%	100%
Malinda Lithium Project				
E09/1618	Granted	35%	0%	35%
E09/2169	Granted	100%	0%	100%
E09/2170	Granted	100%	0%	100%
E09/2171	Granted	100%	0%	100%
E09/2197	Granted	100%	0%	100%
E09/2198	Granted	100%	0%	100%
Plumridge Nickel Joint Venture				
E28/1475	Granted	49%	0%	49%
E28/2266	Granted	49%	0%	49%
E28/2267	Granted	49%	0%	49%
E28/2317	Granted	49%	0%	49%
E39/1084	Granted	49%	0%	49%
E39/1709	Granted	49%	0%	49%
E39/1710	Granted	49%	0%	49%
E39/1731	Granted	49%	0%	49%
E39/2088	Application	0%	0%	0%
Pilbara Gold Joint Venture				
E45/5042	Application	0%	0%	0%
E45/5042	Application	0%	0%	0%
E47/3476	Granted	100%	(51)%	49%
E47/3478	Granted	100%	(51)%	49%
Pardoo Nickel Joint Venture				
E45/1866	Granted	20%	(20)%	0%
E45/4279	Granted	20%	(20)%	0%
E45/4671	Granted	20%	(20)%	0%