

ARROW RAISES \$3.2 MILLION TO ACCELERATE EXPLORATION

HIGHLIGHTS

- **Oversubscribed capital raising of \$3.2 million will fund expanded and accelerated drilling and exploration programs in West Africa and Western Australia**
- **Next 3,000 m drilling programme to commence July 2020 to expand Dassa gold discovery**
- **First exploration targeting copper-gold mineralisation at Strickland in Western Australia with EM surveys planned for Q3 2020**
- **Target definition on four additional Burkina Faso projects to be accelerated**

Arrow Minerals Limited (**Arrow**) (ASX: **AMD**) (**Company**) is pleased to announce that it has received commitments from qualified sophisticated and professional investors to raise \$2,200,000 pursuant to a placement of up to 366,666,666 fully paid ordinary shares in the Company (**Shares**) at an issue price of 0.6 cents per Share (**Placement**).

In addition, Arrow will undertake an issue of unlisted convertible notes (**Convertible Notes**) to raise \$1,000,000 (see Annexure 1 for further details), resulting in a total raising for Arrow of \$3,200,000 (**Capital Raising**). The proceeds will be used to fund expanded exploration and drilling programmes at its 100% owned gold exploration projects in Burkina Faso including the Dassa gold discovery, and geophysical surveys at its 100% owned Strickland copper-gold project in Western Australia.

Arrow's Managing Director, Howard Golden, said:

"Arrow welcomes the support demonstrated for the Capital Raising by existing shareholders and new investors in the Company. This is an exciting time for Arrow as we are now planning expanded drilling programs at the Dassa gold discovery in Burkina Faso targeting an increase in the size of the existing mineralisation (refer to ASX announcement dated 25 February 2020). Recently defined copper-gold anomalism at Strickland in Western Australia will also see a first round of exploration starting with geophysical surveys and geological mapping.

This Capital Raising puts Arrow in a strong position to explore its high quality portfolio of assets well into 2021."

Use of Proceeds

Funds raised pursuant to the Capital Raising will be used for:

- **Dassa, Burkina Faso** - further drilling (commencing July 2020) to increase the size of the existing gold discovery (announced January 2020) along the 3 km long mineralised corridor;
- **Boulsa, Burkina Faso** - analysis of stream sediment samples and follow up as appropriate (Q3 2020);
- **Divole East, Burkina Faso** - soil and auger sampling - all good results followed up by RC drilling (Q4 2020);
- **Nako, Burkina Faso** - soil sampling and follow-up work indicated by soil results (Q4 2020);
- **Dyapya, Burkina Faso** - soil sampling and any follow-up work as indicated by soil results (Q1 2021);

- **Strickland Gold/Copper Project, Western Australia** - electromagnetic ("EM") surveys over Cu-Au targets; and
- general working capital purposes.

Upcoming Drilling and Exploration Programmes

Dassa Gold Discovery, Burkina Faso

The Dassa discovery in Burkina Faso is a zone of mineralisation that extends for at least 3 km. Reverse circulation (RC) drilling at Dassa produced results as high as 3m @ 15.1g/t Au (including 1m @ 44.7g/t Au), and the gold mineralisation is continuous between holes and along strike, predominantly in the weathered zone. Preparations for drilling will commence immediately, leading to a 3,000 m RC drilling programme in July 2020 designed to expand the discovery. Auger drilling is also planned to test the extension of the mineralisation along a zone that could extend the discovery to 7 km in length (see **Figure 1**).

Strickland Copper-Gold Project, Western Australia

Recent analysis of historical data from the Strickland project resulted in the identification of three zones of highly anomalous copper-gold-silver-zinc mineralisation in shallow sampling (refer to ASX announcement dated 19 May 2020). EM planned over anomalous mineralization in Q3 2020.

Additional Burkina Faso Projects

Elsewhere in Burkina Faso, Arrow will be undertaking soil and auger sampling programmes on its additional four 100% owned licence blocks to develop targets for drilling. The targeting of these four projects was identical to the successful methodology that resulted in the Dassa discovery.

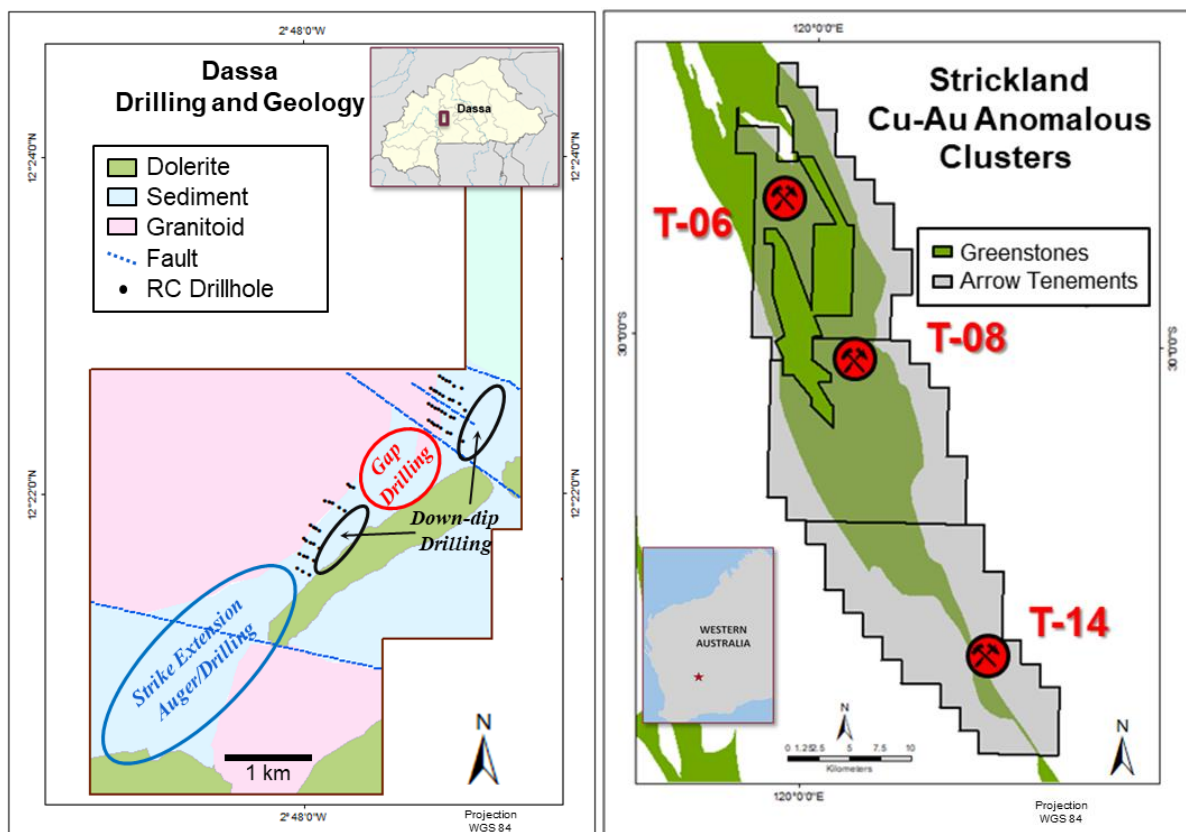


Figure 1 – Dassa Burkina Faso (left) and Strickland Western Australia locations of planned exploration

Placement

The Company has agreed to issue up to 366,666,666 fully paid ordinary shares at an issue price of 0.6 cents per share to qualified sophisticated and professional investors, raising up to \$2.2 million (before costs). The Placement is proposed to be completed in two tranches.

Tranche 1 of the Placement will utilise the Company's existing placement capacity under ASX Listing Rule 7.1 (up to 132,257,889 Shares) and ASX Listing Rule 7.1A (up to 97,105,259 shares) to be issued on or around Tuesday, 23 June 2020.

Tranche 2 of the Placement (up to 137,303,518 shares) is subject to shareholder approval at a general meeting of shareholders scheduled to take place on or around 31 July 2020.

Convertible Notes

1,000,000 Convertible Notes are to be issued subject to shareholder approval each with a face value of \$1.00 to raise \$1,000,000. The Convertible Notes bear interest at 8% pa and have a Maturity Date of 15 June 2024. Further details of the key terms of the Convertible Notes are shown in Annexure 1. The issue of the Convertible Notes is subject to shareholder approval at a general meeting of shareholders scheduled to take place on or around 31 July 2020.

Arrow's directors and its largest shareholder, GenGold Resource Capital Pty, intend to vote in favour of the resolutions for the Convertible Notes Issue and Tranche 2 of the Placement.

Refer to Annexure 1 for key terms of the Convertible Notes.

Hartleys Limited acted as Lead Manager in respect of the Capital Raising.

Announcement authorised for release by Howard Golden, Managing Director of Arrow.

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

Arrow Minerals Limited

Mr Howard Golden

Managing Director

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ANNEXURE 1: CONVERTIBLE NOTES KEY TERMS SUMMARY

Issue	Unlisted, unsecured convertible notes ("Convertible Note") with a face value of \$1.00 per Convertible Note to raise gross proceeds of \$1,000,000. The terms and conditions of the Convertible Notes are contained in a binding convertible note deed dated 15 June 2020 ("Convertible Note Deed").
Face Value	Each Convertible Note will have a Face Value of A\$1.00
Maturity Date	15 June 2024
Conversion	<p>Each Convertible Note is convertible into new fully paid ordinary shares in the Company ("Shares") at the holder's election at any time after the allotment of the Convertible Notes and prior to the Maturity Date at a conversion price of a 25% premium to the issue price per Share pursuant to the Placement ("Conversion Price"), being 0.75 cents per Share. If during the term of the Convertible Notes the Company undertakes a further equity raising(s) at an issue price lower than the issue price of the Placement, then the Conversion Price of the Convertible Notes will be reset to a conversion price of a 25% premium to the lower issue price.</p> <p>The noteholder may convert at any time during the notice period. Convertibles Notes may be converted into Shares within the timeframe above upon election by the Convertible Note holder, provided that such election is in writing and given to the Company prior to the Maturity Date ("Conversion Notice"). The Company must issue the new Shares and ensure their tradability on the ASX within 5 business days of receiving the Conversion Notice.</p>
Interest Rate	8% per annum.
Interest Payments	Interest will accrue daily and will be paid at the end of every quarter from the allotment date up to the Maturity Date and paid to the noteholder within 5 business days of the end of the period. Any interest accrued up to the point of conversion by the noteholder will be payable within 5 business days of conversion.
Early Repayment	<p>The Company may repay the Convertible Notes at any time at or after 36 months from date of issue of the Convertible Notes and prior to the Maturity Date by providing at least 30 days' written notice to the noteholders, provided that the Company's share price is no less than 3 times the Conversion Price (eg. If the conversion price is 0.75cps, then the share price must be no less than 2.25cps). The Convertible Note holders may elect to convert at any time during the notice period.</p> <p>The Convertible Note holder may demand, at their sole election, to be redeemed early at the face value of the Convertible Notes plus any accrued interest if the Company raises funds via debt or hybrid debt - equity instruments without the prior approval of the Convertible Note holder(s).</p>
Events of Default	Upon the occurrence of an Event of Default (as defined in the Convertible Note Deed), the Convertible Note holder may for so long as the Event of Default is continuing by written notice to the Company require immediate redemption of all outstanding Convertible Notes together with all interest and other outstanding monies to be immediately due and payable to the holder without the need for any further demand or notice to be given.
Repayment	On the Maturity Date, the Company must pay to the holder of a Convertible Note: <ul style="list-style-type: none"> (a) the Face Value on all unconverted Convertible Notes held by the holder on that date; and (b) all unpaid accrued interest.
Debt Restrictions	From the date of the execution of the Convertible Note Deed until the Maturity Date, the Company must not effect or enter into any prohibited transaction without the written consent of the Subscriber ("Prohibited Transaction"). A Prohibited Transaction means: <ul style="list-style-type: none"> a) the creation of any debt liability (monies borrowed or raised) by the Company (or any wholly owned subsidiary of the Company) after the execution of the Convertible Note Deed including any loan, bill, bond, debenture, note or similar instrument other than in the ordinary course of business; and b) the granting of any security or encumbrance to the value in excess of \$50,000 over all or part of the assets and undertakings of the Company after the execution of this Deed.
Security	The Convertible Notes will be unsecured.
Transferability	The Convertible Notes will be transferable, subject to the transferee being an 'exempt' investor or 'sophisticated' investor. The transferee must satisfy the requirements of either s708(8), 708(10) or 708(11) of the Corporations Act 2001 (Cth) ("Corporations Act").
Change of Control	On the announcement of a change of control transaction, the Convertible Note holder may elect to Convert at their sole discretion or to have the Convertible Notes redeemed by the Company at the Face Value plus any accrued interest.