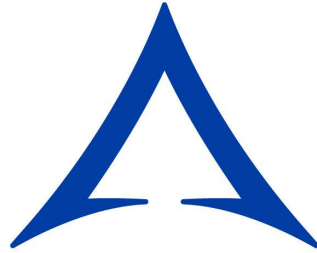


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ARROW MINERALS

(ABN 49 112 609 846)

AND CONTROLLED ENTITIES

HALF YEAR FINANCIAL REPORT

30 JUNE 2024

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CORPORATE DIRECTORY

DIRECTORS

| | |
|-------------------|------------------------|
| Mr Jeff Dowling | Non-Executive Chairman |
| Mr David Flanagan | Managing Director |
| Mr Tommy McKeith | Non-Executive Director |
| Mr Chris Tuckwell | Non-Executive Director |

COMPANY SECRETARY (JOINT)

Ms Catherine Grant-Edwards
Ms Melissa Chapman

PRINCIPAL & REGISTERED OFFICE

U 4, 38 Colin Street
West Perth WA 6005
Telephone (08) 9383 3330
Email info@arrowminerals.com.au

AUDITORS

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

BANKERS

National Australia Bank Limited
Level 14, 100 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

STOCK EXCHANGE LISTING

Arrow Minerals Limited shares (**AMD**) are listed on the Australian Securities Exchange (**ASX**)

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DIRECTORS' REPORT

Your directors submit the financial report of Arrow Minerals Limited (ASX: AMD) (**Arrow** or the **Company**) and its controlled entities (together the **Group**) for the half-year ended 30 June 2024.

The names of AMD's directors in office during the half-year and up to the date of this report are as follows:

- Mr Jeff Dowling (Non-Executive Chairman) – appointed 15 February 2024
- Mr David Flanagan (Managing Director) – appointed 15 February 2024
- Mr Tommy McKeith (Non-Executive Director) – transitioned from Non-Executive Chairman to Executive Chairman 7 November 2023, then to Non-Executive Director 15 February 2024
- Mr Chris Tuckwell (Non-Executive Director) – appointed 29 May 2024
- Mr Alwyn Vorster (Non-Executive Director) – resigned 21 June 2024
- Dr Fraser Tabart (Non-Executive Director) – resigned 15 February 2024

REVIEW OF OPERATIONS

Key highlights from the period are summarised below.

- Board restructure completed in February 2024.
- Raised \$13 million in two placements to fund exploration on Simandou North Iron Project and corporate expenses.
- Successfully completed the accelerated acquisition of Amalgamated Minerals Pte Ltd, which holds a 100% interest in the Simandou North Iron Project. All issued capital of Amalgamated Minerals Pte Ltd is now 100% beneficially owned by Arrow Minerals Limited¹.
- Completed 9,224 metres of combined diamond and Reverse Circulation (RC) drilling during the period in a tenement wide drilling program.
- Completed additional high resolution remodelling of airborne magnetics and commenced ground penetrating radar surveys as part of generating and prioritising iron mineralisation drilling targets.
- Appointed highly experienced mining finance professional Tony Muir as CFO, proven mine builder Jeremy Sinclair as Projects Director and experienced mining and mine development executive, Chris Tuckwell, as an Independent Non-Executive Director.

¹ Refer ASX Announcement 27 March 2024

GUINEA

Simandou North Iron Project

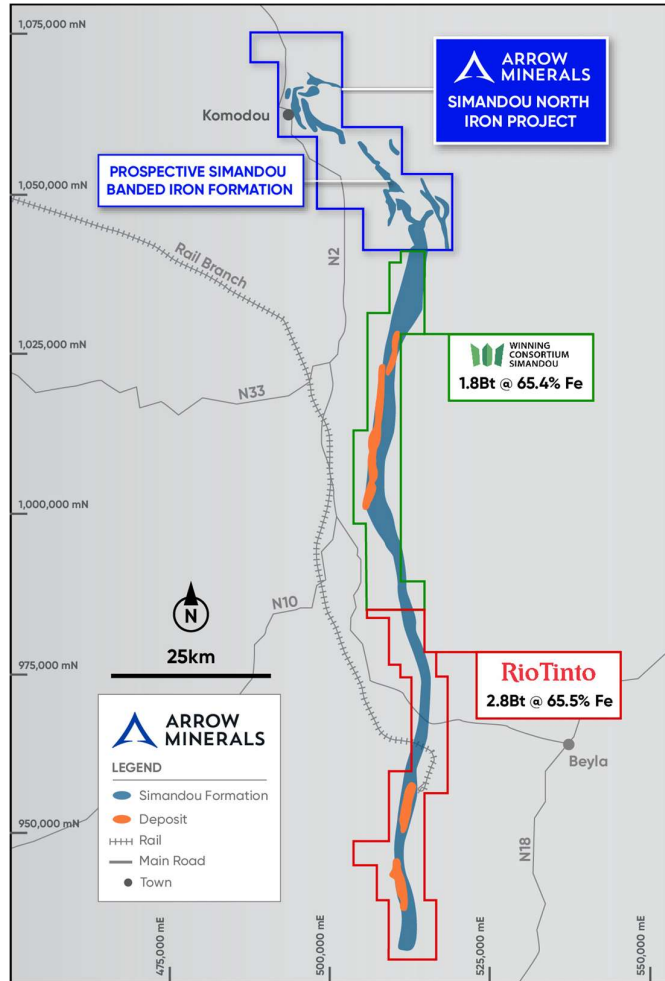


Figure 1. Simandou North Iron Project adjacent to the combined Simandou Project and associated rail infrastructure currently under development.

During the half-year ended 30 June 2024 Arrow's exploration focus was the execution of an aggressive multi-rig drill program to test for Direct Shipping Ore (DSO) potential across the tenement (Figure 2). Drilling initially focused on in-situ targets at Dalabatini, Kowouleni, Kalako, and Diassa. An intensive mapping program was conducted during May 2024 that focused on the definition of supplementary canga drill targets at these four (4) prospects, and an additional three (3) targets at Komodou, Central, and Banko in the central and northern areas of the license which combine to represent a total of eleven (11) targets tested during the 6 month period.

The mapping campaign confirmed the presence of extensive zones of iron rich canga which outcrops adjacent to, and flanking the Simandou Banded Iron Formations (BIF) and features clasts of progressively weathered BIF that are both enriched in iron, and depleted in silica. The revised extents of canga mapped by the Company to date has a combined total area of approximately 13km² is shown in Figure 2, of which approximately 10km² was drill tested during Quarter 2, 2024 over the seven (7) target areas named above.

A total of 9,224.6m was drilled for the 6 month period to 30 June 2024, composed of 4,687.6m diamond drilling, and 4,537m of RC drilling.

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Diamond drilling was used to test all in-situ targets, and selected canga targets. RC drilling was used to test canga targets, and subsequent infill drilling where enriched BIF was encountered underlying the canga.

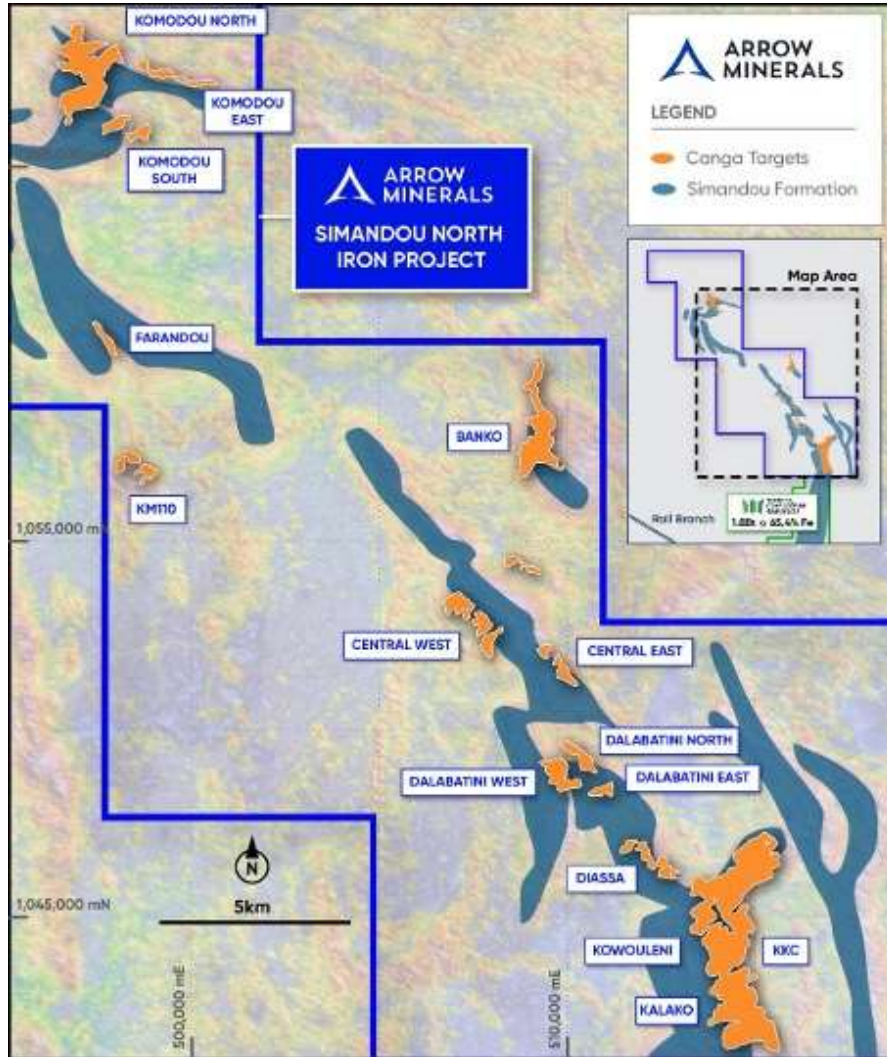


Figure 2. Simandou North Iron Project, tenure and prospects with airborne magnetic Analytic Signal and digital elevation model image.

Diamond drilling has continued to confirm strike extension of the Simandou iron formation at each prospect tested to date, and has further confirmed the presence of multiple styles of mineralisation noted below (Figure 3):

- Hydrothermal mineralisation interpreted to be associated with deformation events and the emplacement of felsic intrusives.
- Duricrust within the upper weathering zone of the iron formation, where texturally massive duricrust appears to have overprinted almost completely desilicified oxidised iron formation resulting in hard, compact material. This returned the 12m grading 60% Fe in drillhole DALDDH003².
- Canga mineralisation, identified as accumulations of progressively desilicified and iron enriched clasts of iron formation in colluvium on the flanks and terraces of the hills dominated by iron formation.

² Refer to ASX Announcement 3 October 2023

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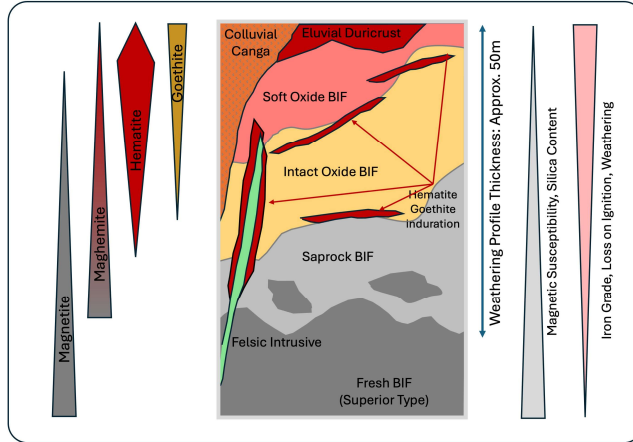


Figure 3. Simandou North Iron Project - Schematic BIF Weathering Profile

Subsequent to 30 June 2024, Arrow announced an Exploration Target estimated between approximately 281 to 716 million tonnes of Simandou Formation Oxide BIF at 33-46% Fe and positive preliminary metallurgical testwork undertaken which achieves 61-64% Fe, low alumina (<0.5%) hematite fines from a simple wet gravity process. Cautionary Statement: The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

With the Simandou railway, due for commissioning in 2025, which is located only 25km from the project, the Company's future work program will focus on resource drilling, economic studies, permitting and development pathways.

Niagara Bauxite Project

Subsequent to 30 June 2024, Arrow executed an option agreement, with an option fee of \$400,000 payable in cash and shares, with \$2,000,000 in cash or shares payable upon option exercise³.

The Niagara Bauxite Project is an advanced asset with a significant exploration history, and expands the Company's bulk commodity presence within Guinea, the world's largest exporter of high-grade low-impurity bauxite. With the Simandou railway, due for commissioning in 2025, which is located only 100km from the project, the Company's future work program will focus resource drilling, economic studies, permitting and development pathways.

Subsequent to 30 June 2024, Arrow announced an Exploration Target estimate for the Niagara Bauxite Project of approximately 170 – 340Mt at a grade range of approximately 40 – 46 % Al₂O₃, and 1 – 4 % SiO₂. Cautionary Statement: The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource⁴.

³ Refer to ASX Announcement 1 August 2024

⁴ Refer to ASX Announcement 7 August 2024

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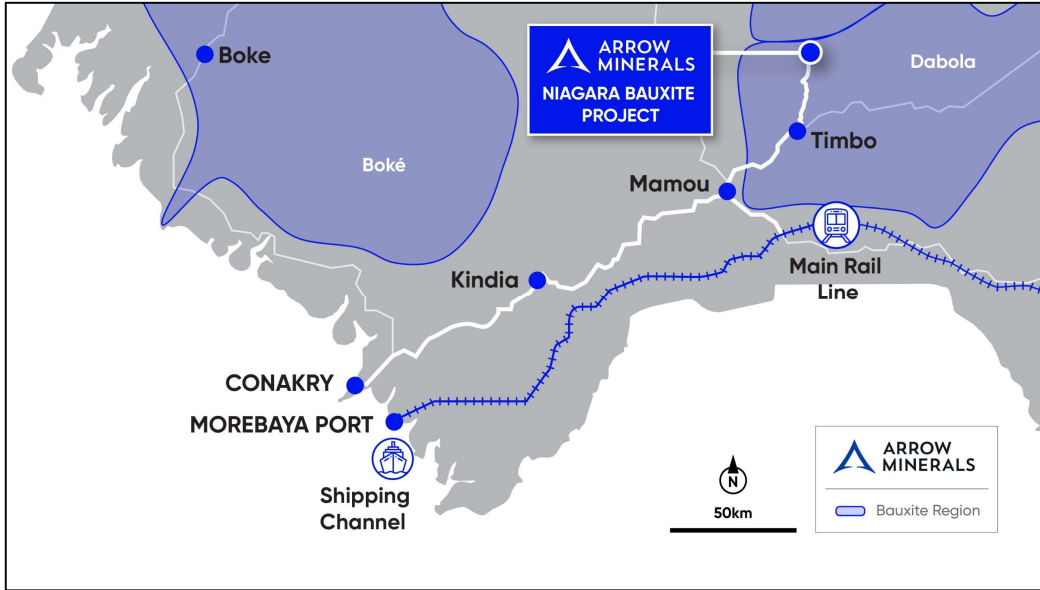


Figure 4. Map showing proximity of Niagara Bauxite Project to rail and port with selected Bauxite regions

BURKINA FASO

Due to the current political situation in Burkina Faso, all field activities remain suspended. The Company declared 'Force Majeure' to the Government of Burkina Faso and continues to maintain a limited presence in the country. The Company will continue to monitor the situation and intends to keep its exploration permits and assets in good standing.

CONFIRMATION STATEMENT

The information in this report that relates to Exploration Results completed during 2023 and 2024 is extracted from Company ASX announcements which are available on the Company's website and the Australian Stock Exchanges website (ASX: AMD).

CORPORATE

The following significant transactions and events occurred during the period:

Placements and Share Purchase Plan

The Company raised (before transaction costs):

- \$3,050,000 via a Placement (**Placement B – Tranche 2**) to sophisticated and institutional investors at an issue price of \$0.001 per share.
- \$10,000,000 via a Placement (**Placement C**) to sophisticated and institutional investors at an issue price of \$0.005 per share.
- \$500,000 pursuant to the Company's Share Purchase Plan at an issue price of \$0.001 per share.

General Meetings

The Company held general meetings of shareholders on 15 February 2024 and 23 April 2024, where all resolutions put to shareholders were decided by way of a poll.

The Company held its annual general meeting of shareholders on 20 May 2024 (AGM) where all resolutions put to shareholders were decided by way of a poll.

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CHANGES IN CAPITAL STRUCTURE

Movements in the securities of the Company during the half-year ended 30 June 2024 are summarised as follows:

Shares

During the period the Company issued the following shares:

- 3,210,000,000 shares issued via a Placement (Placement B – Tranche 2);
- 500,000,000 shares issued pursuant to the Company's Share Purchase Plan (Share Purchase Plan);
- 2,000,000,000 shares issued via a Placement (Placement C);
- 800,000,000 shares issued upon conversion of Convertible Notes; and
- 555,600,000 shares issued upon conversion of Zero Exercise Price Options.

Unlisted Options

During the period the Company issued the following unlisted options:

- 975,000,000 unlisted zero exercise price options expiring 15 February 2027 were issued to Directors (or their nominees);
- 90,000,000 unlisted zero exercise price options expiring 15 February 2028 were issued to Directors (or their nominees);
- 778,000,000 unlisted zero exercise price options expiring 5 March 2027 were issued to Convertible Noteholders in consideration for early conversion of convertible notes;
- 120,000,000 unlisted options exercisable at \$0.009 expiring 1 May 2027 were issued to a contractor (or their nominee); and
- 485,000,000 unlisted zero exercise price options expiring 23 April 2028 were issued to Employees and Consultants (or their nominees) under the Company's Employee Securities Incentive Plan.

During the period:

- 555,600,000 unlisted options were exercised; and
- 286,893,941 unlisted options expired unexercised.

Convertible Notes

During the period, Convertible Notes totalling \$1,000,000 were repaid following the noteholders electing to convert the Convertible Notes into 800,000,000 shares in the Company. 778,000,000 unlisted zero exercise price options expiring 5 March 2027 were issued to Convertible Noteholders in consideration for early conversion of convertible notes.

Performance Rights

There were no movements in Performance Rights during the period.

Securities on Issue at 30 June 2024

Quoted Securities

| | |
|------------------------------------|----------------|
| Ordinary shares on issue (ASX:AMD) | 10,539,365,096 |
|------------------------------------|----------------|

Unquoted Securities

| | |
|--|-------------|
| Options exercisable at 0.9¢ on or before 11/10/2024 ¹ | 4,300,000 |
| Options exercisable at 0.9¢ on or before 25/11/2024 | 8,000,000 |
| Options exercisable at 0.6¢ on or before 05/08/2025 ¹ | 9,900,000 |
| Options exercisable at 0.6¢ on or before 05/08/2025 | 40,000,000 |
| Options exercisable at 0.7¢ on or before 24/10/2025 | 2,500,000 |
| Options exercisable at 1.1¢ on or before 25/11/2025 | 5,000,000 |
| Options exercisable at 0.7¢ on or before 22/02/2026 | 40,000,000 |
| Options exercisable at 0.0¢ on or before 15/02/2027 | 975,000,000 |
| Options exercisable at 0.0¢ on or before 05/03/2027 | 222,400,000 |
| Options exercisable at 0.9¢ on or before 01/05/2027 | 120,000,000 |
| Options exercisable at 0.0¢ on or before 23/04/2028 | 90,000,000 |
| Options exercisable at 0.0¢ on or before 23/04/2028 ¹ | 485,000,000 |
| Performance Rights (Tranche 1) expiring on 31/12/2026 ² | 7,000,000 |
| Performance Rights (Tranche 2) expiring on 31/12/2026 ³ | 7,000,000 |
| Performance Rights (Tranche 3) expiring on 31/12/2026 ⁴ | 7,000,000 |

¹ Pursuant to ESIP

² Tranche 1 Performance Rights Milestone: Release of an ASX announcement confirming a JORC compliant resource equal to or in excess of 50Mt at no lower than 60% Fe by 31 December 2024.

³ Tranche 2 Performance Rights Milestone: Release of an ASX announcement of a positive Scoping Study that recommends moving to pre-feasibility study (PFS) by 31 December 2025.

⁴ Tranche 3 Performance Rights Milestone: AMD's share price (calculated at the 5-day VWAP) exceeding five (5) times the 30-day VWAP (calculated at 24 October 2022) (Share Price Hurdle) over a consecutive 20-day period (trading days) by 31 December 2025. Based on a calculation date of 24 October 2022, the Share Price Hurdle has been determined to be 2.6¢.

SUBSEQUENT EVENTS

On 1 August 2024, the Company announced that it had entered into an agreement to be granted an option to acquire 100% of the Niagara Bauxite Project for an option fee of \$400,000 payable in cash and shares in the Company.

On 1 August 2024, the Company announced that 30,000,000 unlisted options had lapsed without exercise or conversion.

On 22 August 2024, the Company announced it had received firm commitments from institutional and sophisticated investors to raise gross proceeds of approximately \$5 million (before costs) in two tranches. On 30 August 2024, the Company issued 2,150,000,001 Tranche 1 placement shares at \$0.0022 (0.22 cents) per share raising \$4.73 million (before costs), with Tranche 2 placement shares remaining subject to shareholder approval.

No other matters or circumstances have arisen since 30 June 2024 which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001, we have obtained an independence declaration from our auditors, HLB Mann Judd, which is included in this report.

Signed in accordance with a resolution of the Directors



David Flanagan

Managing Director

Perth, 4 September 2024

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Arrow Minerals Limited for the half-year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
4 September 2024

B G McVeigh
Partner

hlb.com.au

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

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HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2024

| | Note | 30 Jun 2024 \$ | 30 Jun 2023 \$ |
|--|------|---------------------|-------------------|
| Continuing Operations | | | |
| Interest income | | 21,587 | 6,179 |
| Net (loss) on financial assets/liabilities measured at fair value through profit or loss | | (11,737) | (129,476) |
| Employee benefits expenses | | (376,257) | (189,904) |
| Occupancy costs | | (17,624) | (21,371) |
| Amortisation of right of use assets | | (9,523) | (7,341) |
| Exploration expenditure expensed | 3(a) | (6,859,391) | (105,170) |
| Finance costs | | (55,688) | (55,312) |
| Depreciation | | (11,920) | (12,670) |
| Share-based payment expense | 13 | (5,284,501) | (70,075) |
| Borrowing costs | 3(b) | (3,890,000) | - |
| Administration and other expenses | | (1,334,797) | (62,653) |
| Share of equity accounting loss | | - | (9,479) |
| Loss before tax from continuing operations | | (17,829,851) | (657,272) |
| Income tax expense | | - | - |
| Loss after tax from continuing operations | | (17,829,851) | (657,272) |
| Other comprehensive income | | | |
| Items that may be classified subsequently to profit or loss: | | | |
| Movement in foreign currency translation reserve | | 85,538 | (333,485) |
| Share of foreign currency translation reserve relating to equity accounted investment | | (8,120) | 5,505 |
| Other comprehensive income/(loss) for the period | | 77,418 | (327,980) |
| Total comprehensive loss for the period attributable to members of the Company | | (17,752,433) | (985,252) |
| Loss per share for the period attributable to the members of Arrow Minerals Limited | | | |
| Basic loss per share (cents per share) | | (0.233) | (0.023) |
| Diluted loss per share (cents per share) | | (0.233) | (0.023) |

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

| | Note | 30 Jun 2024 | 31 Dec 2023 |
|--|------|-------------------|------------------|
| | | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 2 | 3,947,665 | 701,139 |
| Trade and other receivables | | 793,190 | 44,511 |
| Prepayments | | 277,329 | 90,563 |
| Financial assets | | 64,498 | 83,223 |
| TOTAL CURRENT ASSETS | | 5,082,682 | 919,436 |
| NON-CURRENT ASSETS | | | |
| Acquired Exploration and evaluation assets | 5 | 5,376,737 | - |
| Right of use assets | | 81,074 | 6,165 |
| Property, plant and equipment | | 267,879 | 27,195 |
| Investment in associate | 4 | - | 2,405,256 |
| Receivables | 6 | - | 2,011,565 |
| Deferred Fair Value Adjustment | | - | 403,070 |
| TOTAL NON-CURRENT ASSETS | | 5,725,690 | 4,853,251 |
| TOTAL ASSETS | | 10,808,372 | 5,772,687 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 3,186,381 | 230,153 |
| Right of use lease liabilities | 8 | 45,633 | 6,693 |
| Other financial liabilities | 9 | - | 992,180 |
| TOTAL CURRENT LIABILITIES | | 3,232,014 | 1,229,026 |
| NON-CURRENT LIABILITIES | | | |
| Right of use lease liabilities | 8 | 35,343 | - |
| TOTAL NON-CURRENT LIABILITIES | | 35,343 | - |
| TOTAL LIABILITIES | | 3,267,357 | 1,229,026 |
| NET ASSETS | | 7,541,015 | 4,543,661 |
| EQUITY | | | |
| Issued capital | 10 | 65,480,128 | 51,606,728 |
| Reserves | | 11,996,410 | 2,744,491 |
| Accumulated losses | | (69,935,523) | (49,807,558) |
| TOTAL EQUITY | | 7,541,015 | 4,543,661 |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

| | Note | 30 Jun 2024 \$ | Restated 30 Jun 2023 ¹ \$ |
|--|----------|--------------------|--|
| Cash Flows from Operating Activities | | | |
| Payments to suppliers and employees | | (968,247) | (822,946) |
| Payments for exploration and evaluation activities | | (5,984,465) | (105,170) |
| Interest income received | | 21,587 | 6,921 |
| Interest paid | | (40,880) | (39,890) |
| <i>Net cash used in operating activities</i> | | (6,972,005) | (961,085) |
| Cash Flows from Investing Activities | | | |
| Acquisition of Amalgamated Minerals Pte Ltd | 5 | (2,000,000) | - |
| Cash acquired on acquisition of Amalgamated Minerals Pte Ltd | 5 | 206,942 | - |
| Purchase of property plant and equipment | | (181,512) | (146) |
| Payment for bonds | | (11,541) | - |
| Investment in term deposit | | (500,000) | - |
| Advance to Simandou North Iron Project | | - | (1,264,789) |
| <i>Net cash used in investing activities</i> | | (2,486,111) | (1,264,935) |
| Cash Flows from Financing Activities | | | |
| Proceeds from issue of shares | | 13,550,000 | 2,695,000 |
| Capital raising transaction costs | | (836,600) | (95,227) |
| Principal payments on lease liabilities | | - | (7,707) |
| <i>Net cash from financing activities</i> | | 12,713,400 | 2,592,066 |
| Net increase in cash and cash equivalents | | 3,255,284 | 366,046 |
| Effect of exchange rate movements | | (8,758) | 5,698 |
| Cash and cash equivalents at the beginning of the period | | 701,139 | 617,313 |
| Cash and cash equivalents at the end of the period | 2 | 3,947,665 | 989,057 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes. Non-cash investing and financing activities include the issuance of shares and options to convertible noteholders during the period.

¹ The group has changed its accounting policy in respect of exploration expenditure. The impact of this is disclosed at Note 3.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2024**

| | Issued Capital | Share-Based Payment Reserve (Shares) | Share-Based Payment Reserve (Options and Rights) | Foreign Currency Translation Reserve | Accumulated Losses | Total |
|---|-------------------|---|--|---|-----------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 January 2023 | 48,713,599 | 2,084,407 | 918,056 | (242,021) | (49,091,591) | 2,382,450 |
| Loss after tax for the period | - | - | - | - | (657,272) | (657,272) |
| Other comprehensive loss | - | - | - | (327,980) | - | (327,980) |
| Total comprehensive loss for the period | - | - | - | (327,980) | (657,272) | (985,252) |
| Issue of Shares (net of costs) | 2,469,229 | - | - | - | - | 2,469,229 |
| Issue of Options (net of costs) | - | - | 201,408 | - | - | 201,408 |
| Total transactions with equity holders | 2,469,229 | - | 201,408 | - | - | 2,670,637 |
| Writing back change in expenditure – convertible note | - | - | - | - | 29,410 | 29,410 |
| Balance at 30 June 2023 | 51,182,828 | 2,084,407 | 1,119,464 | (570,001) | (49,719,453) | 4,097,245 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 January 2024 Restated | 51,606,728 | 2,084,407 | 1,152,580 | (492,496) | (52,105,672) | 2,245,547 |
| Loss after tax for the period | - | - | - | - | (17,829,851) | (17,829,851) |
| Other comprehensive loss | - | - | - | 77,418 | - | 77,418 |
| Total comprehensive loss for the period | - | - | - | 77,418 | (17,829,851) | (17,752,433) |
| Issue of Shares (net of costs) | 13,873,400 | - | - | - | - | 13,873,400 |
| Share-based payments | - | - | 9,174,501 | - | - | 9,174,501 |
| Balance at 30 June 2024 | 65,480,128 | 2,084,407 | 10,327,081 | (415,078) | (69,935,523) | 7,541,015 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 31 December 2023 and any public announcements made by Arrow Minerals Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

b) Basis of Preparation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The half-year financial report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

c) Going concern

The interim condensed financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the half-year ended 30 June 2024 of \$17.8 million and a net cash inflow from operating, investing and financing activities of \$3.2 million. Net assets of the Group as at 30 June 2024 totalled \$7.5 million. Cash and cash equivalents as at 30 June 2024 were \$3.9 million and term deposits of \$0.5m were included in trade and other receivables.

The ability of the Group to continue as a going concern is dependent on it being able to successfully raise further debt or capital funding in the next 12 months, to pursue its current exploration strategy. Management will continue to explore the tenements and the Directors are confident that the Group will be able to continue as a going concern and meet its liabilities as and when they fall due in the next 12 months. Specifically, the Directors' conclusion is supported by the following:

- Successful capital raising during the 6 months to 30 June 2024 half-year, totalling \$13,550,000 (before costs);
- Subsequent to period end, the Company announced it had received firm commitments from institutional and sophisticated investors to raise gross proceeds of approximately \$5 million (before costs); and

- The ability to reduce exploration and evaluation expenditures should the need arise through the ongoing close monitoring of cash reserves.

On this basis, no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

Should the Group be unable to raise further debt or capital within the next 12 months with the initiatives detailed above, then there exists a material uncertainty that may cast significant doubt on whether the Group will be able to continue as a going concern and whether it will be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statements.

d) Adoption of new and revised standards

In the half-year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2024. As a result of this review, the Directors have applied all new and amended Standards and Interpretations that were effective as at 1 January 2024 with no material impact on the amounts or disclosures included in the financial report.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and directors have reviewed and determined they have no material effect.

e) Significant accounting judgements and key estimates

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 December 2023, in addition management made judgements, estimates and assumptions in relation to:

- (i) Change of control in Amalgamated Minerals Pte Ltd

The Company determined control was achieved when the rights to pass special resolutions of the directors was achieved. This occurred on 26 March 2024.

- (ii) Contingent considerations

The Company has adopted the approach set out in AASB 137 Provisions, Contingent Liabilities and Contingent Assets, to not include contingent consideration (US\$1/tonne production royalty which is ultimately dependent upon the successful development of Amalgamated Minerals' Simandou North Project) as being part of the cost of the acquisition of Amalgamated Minerals.

2. CASH AND CASH EQUIVALENTS

| | 30 Jun 2024 | 31 Dec 2023 |
|--------------------------|--------------------|--------------------|
| | \$ | \$ |
| Cash at bank and on hand | 3,947,665 | 701,139 |

As at 30 June 2024, a \$500,000 term deposit has been included in trade and other receivables.

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3. EXPENSES**(a) Exploration expenditure expensed**

| | 6 months ended 30 Jun 2024 | 6 months ended 30 Jun 2023 |
|---|----------------------------------|----------------------------------|
| | \$ | \$ |
| Costs expensed in relation to areas of interest in the exploration and evaluation phase | 6,859,391 | 105,170 |
| | <u>6,859,391</u> | <u>105,170</u> |

Change in Accounting Policy

The Consolidated Financial Statements have been prepared incorporating retrospective application of a voluntary change in accounting policy relating to the exploration and evaluation expenditure. The new accounting policy was adopted on 1 January 2024 and has been applied retrospectively. The Directors believe that the change in accounting policy will provide more relevant and reliable information to users of the Consolidated Financial Statements. Both the previous and the new accounting policy are compliant with AASB 6: Exploration for and Evaluation of Mineral Resources.

The Group previously accounted for exploration and evaluation expenditure relating to an area of interest by carrying forward that expenditure where no impairment trigger existed.

There was no impact of the change in accounting policy on the Consolidated Statement of Comprehensive Income or the Consolidated Statement of Financial Position. The impact of the change in accounting policy on the Consolidated Statement of Cash Flows is included below:

| | 31 Dec 2023 | | | 30 Jun 2023 | | |
|---|--------------------|-----------|-------------|--------------------|-----------|-------------|
| | Previous Policy | Adj | Restated | Previous Policy | Adj | Restated |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Consolidated Statement of Cash Flows (extract) | | | | | | |
| Payments for exploration and evaluation expensed | - | (184,533) | (184,533) | - | (105,170) | (105,170) |
| Net cash outflow from operating activities | (1,155,441) | (184,533) | (1,339,974) | (855,915) | (105,170) | (961,085) |
| Payments for exploration and evaluation capitalised | (184,533) | 184,533 | - | (105,170) | 105,170 | - |
| Net cash inflow from investing activities | (1,658,470) | 184,533 | (1,473,937) | (1,370,105) | 105,170 | (1,264,935) |

The Group now accounts for exploration and evaluation activities by applying the following policy.

Recognition and measurement

Accounting for exploration and evaluation expenditures is assessed separately for each "area of interest". Each "area of interest" is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been provided to contain such a deposit.

Exploration and evaluation expenditure relating to an area of interest is capitalised as an asset when either of the following criteria has been met:

- a feasibility study concludes the development of a mineral deposit to be commercially viable; or

- a Financial Investment Decision (FID) decision has been made to develop a mineral deposit.

If the criterion is not met, exploration and evaluation is expensed.

The exception to this treatment is the acquisition of an exploration and evaluation asset through an asset acquisition or business combination which will be recognised as an asset on acquisition and only future exploration and evaluation expenditure on the area of interest acquired will be subject to the above criteria.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then transferred to mine development.

Any gain or loss on disposal of an area of interest is recognised in profit or loss.

(b) Borrowing costs

| | 30 Jun 2024 | 30 Jun 2023 |
|---|-------------|-------------|
| | \$ | \$ |
| Borrowing costs – Options Convertible Noteholders | 3,890,000 | - |
| | 3,890,000 | - |

Options – Convertible Noteholders

During the period to 30 June 2024, the Company issued the following securities:

- 778,000,000 unlisted options with an exercise price of nil expiring 15 February 2027 were issued to Convertible Noteholders (or their nominee) (Convertible Noteholder Options), in consideration for early conversion of the convertible notes.

These securities were valued by applying a Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The following table details the inputs to the valuations for each option class:

| | Convertible Noteholder Options |
|----------------------------------|---|
| Dividend yield (%) | Nil |
| Expected volatility (%) | 100% |
| Risk free interest rate (%) | 3.658% |
| Exercise price (\$) | Nil |
| Marketability discount (%) | Nil |
| Expected life of options (years) | 3 |
| Share price at grant date | 0.5¢ |
| Value per option | 0.5¢ |

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4. INVESTMENT IN ASSOCIATE

On 27 March 2024, the Company announced that it had completed the acquisition of the remaining 66.7% interest in Amalgamated Minerals Pte. Ltd (Amalgamated). The consideration for this acquisition was \$2,500,000, of which \$2,000,000 has been paid in cash and \$500,000 remains payable in cash or shares (at the Company's election).

Summarised financial information of associate

The movements in the carrying value of the investment in Amalgamated for the period up to the date of acquisition of control (26 March 2024) are as follows:

| | |
|--|-----------|
| Carrying value as at 1 January 2024 | 2,405,256 |
| Fair value adjustment on intercompany loan | (47,220) |
| Carrying value as at 26 March 2024 | 2,358,036 |

Gain or loss on derecognition of Investment in Associate recognised in Profit or Loss:

| | |
|--|-----------|
| Fair value of pre-acquisition investment in Amalgamated (refer Note 5) | 2,358,036 |
| Gain on derecognition of Investment in Associate | - |

5. ASSET ACQUISITION

On 26 March 2024, the Group acquired the remaining 66.7% of the shares and voting rights in Amalgamated, taking its interest to 100%. The consideration for this acquisition was \$2,500,000, of which \$2,000,000 was paid in cash, and \$500,000 remains payable in cash or shares (at the Company's election).

The half year financial statements include the results of Amalgamated for the period from the date of acquisition of control (26 March 2024).

The following table summarises the recognised amounts of assets and liabilities assumed at the date of acquisition:

| | \$ |
|--|-------------|
| Cash | 206,942 |
| Prepayments | 45,243 |
| Property, plant and equipment | 89,722 |
| Exploration | 3,991,158 |
| Trade and other payables | (675,924) |
| Loan with Arrow Minerals | (4,175,842) |
| Total identifiable net liabilities | (518,701) |
| Fair value of previously held investment in associate | (2,358,036) |
| Cash purchase consideration for additional investment | (2,000,000) |
| Cash or equity consideration (at the Company's election) recognised as a liability at 30 June 2024 | (500,000) |
| Excess of consideration over identified net liabilities (allocated to exploration expenditure) | 5,376,737 |

Analysis of cashflows on acquisition:

| | \$ |
|--|-------------|
| Purchase consideration paid | (2,000,000) |
| Net cash acquired | 206,942 |
| Net cash flow on acquisition (included in cashflows from investing activities) | (1,793,058) |

Pursuant to the Binding Term Sheet, \$500,000 remains payable in cash or shares (at the Company's election) on the earlier of:

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- a. the date the Company successfully completes and announces to the ASX a Pre-Feasibility Study; and
- b. 30 June 2025; or
- c. a date earlier, determined by Arrow in its sole discretion.

The deferred consideration has been recognised in trade and other payables (refer Note 7).

Accounting policy

To be considered a business, AASB 3 Business Combinations requires that there be an acquired set of activities and assets which must include inputs and a substantive process that together significantly contribute to the ability to create outputs.

If the assets acquired are not a business, the Group shall account for the transaction or other event as an asset acquisition.

As substantial exploration activities are required before a decision can be made on the commercial viability of these operations, AASB 3 Business Combinations does not apply to the acquisition of Amalgamated. Accordingly, as the acquisition did not meet the definition of a business, it has been accounted for as asset acquisition. As the acquisition relates to mineral rights, AASB 116 Property, plant and equipment notes that mineral rights must be accounted for under AASB 6 Exploration for and Evaluation of Mineral Resources.

6. RECEIVABLES (NON-CURRENT)

The non-current receivable associated with Arrow funding the Simandou North Iron Project forms part of the accounting consideration to acquire 100% of Amalgamated (refer Note 5).

7. TRADE AND OTHER PAYABLES

| | 30 Jun 2024 | 31 Dec 2023 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Trade creditors and accruals | 2,543,975 | 170,825 |
| Deferred consideration on acquisition of Amalgamated (refer Note 5) | 500,000 | - |
| Payroll liabilities | 142,406 | 59,328 |
| | <u>3,186,381</u> | <u>230,153</u> |

8. RIGHT OF USE LEASE LIABILITIES

| | 30 Jun 2024 | 31 Dec 2023 |
|-------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Current | | |
| Lease liability | 45,633 | 6,693 |
| Non-Current | | |
| Lease liability | 35,343 | - |
| Total Current and Non-Current | <u>80,976</u> | <u>6,693</u> |

9. OTHER FINANCIAL LIABILITIES

| | 30 Jun 2024 | 31 Dec 2023 |
|----------------------|--------------------|--------------------|
| | \$ | \$ |
| Convertible Note (a) | - | 992,180 |
| | <u>-</u> | <u>992,180</u> |

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(a) Convertible Note

As previously disclosed, on 26 August 2020 the Company issued 1,000,000 unsecured convertible notes at A\$1.00 each, raising \$1,000,000 (before costs of \$60,000).

In January 2024, the Company and the Convertible Noteholders agreed the following:

- The Convertible Noteholders convert \$500,000 in Convertible Notes (being 50% of all Convertible Notes on issue) into shares at a conversion price of \$0.00125 per share, being a 25% premium to the price of shares offered under the recapitalisation, for an issue by the Company of 400,000,000 shares; and
- As consideration for the early exercise detailed above, the Convertible Noteholders be granted 778,000,000 zero exercise price Options expiring 5 March 2027.

The above agreement with the Convertible Noteholders provided that the Company retained \$500,000 in respect of irrevocable bank guarantees to secure the repayment of the remaining Convertible Notes.

In June 2024, the Convertible Noteholders and the Company agreed to convert the remaining 50%, being \$500,000, in Convertible Notes on issue into shares at a conversion price of \$0.00125 per share for an issue by the Company of 400,000,000 shares, resulting in the retirement of the irrevocable bank guarantees.

10. ISSUED CAPITAL

| | 30 Jun 2024 | 31 Dec 2023 |
|--|--------------------|--------------------|
| | \$ | \$ |
| (a) Ordinary shares issued and fully paid | <u>65,480,128</u> | <u>51,606,728</u> |

(b) Movements in issued capital

| | | 30 June 2024 | |
|-------------------------------------|--------------------|-----------------------|-------------------|
| Note | Date | No. | \$ |
| | | 3,473,765,096 | 51,606,728 |
| Opening balance | | | |
| Placement B – Tranche 2 | (i) 23 Feb 2024 | 3,050,000,000 | 3,050,000 |
| Shares Issued to Corporate Advisors | (i) 23 Feb 2024 | 160,000,000 | 160,000 |
| Share Purchase Plan | (ii) 1 Mar 2024 | 500,000,000 | 500,000 |
| Convertible Note | (iii) 5 Mar 2024 | 400,000,000 | 500,000 |
| Placement C – Tranche 1 | (iv) 21 Mar 2024 | 1,895,941,273 | 9,479,706 |
| Placement C – Tranche 2 | (v) 1 May 2024 | 104,058,727 | 520,294 |
| Conversion of Options | (vi) 1 May 2024 | 555,600,000 | - |
| Convertible Note | (vii) 11 June 2024 | 400,000,000 | 500,000 |
| Share transaction costs | | - | (836,600) |
| Closing balance | | <u>10,539,365,096</u> | <u>65,480,128</u> |

(i) On 23 February 2024, the Company completed a placement to raise \$3,050,000 via the issue of 3,050,000,000 shares in the Company at an issue price of \$0.001 per share (being Tranche 2 of Placement B). Tranche 1 of the Placement B was completed in December 2023. Additionally, 160,000,000 shares were issued to its corporate advisors at an issue price of \$0.001 per share for services provided.

(ii) On 1 March 2024, the Company issued 500,000,000 shares in the Company pursuant to the Company's share purchase plan raising \$500,000.

- (iii) On 5 March 2024, the Company issued 400,000,000 shares in the Company upon conversion of 500,000 \$1.00 convertible notes at an issue price of \$0.00125 per share.
- (iv) On 21 March 2024, the Company completed a placement to raise \$9,479,706 via the issue of 1,895,941,273 shares in the Company at an issue price of \$0.005 per share (being Tranche 1 of Placement C).
- (v) On 1 May 2024, the Company completed a placement to raise \$520,294 via the issue of 104,058,727 shares in the Company at an issue price of \$0.005 per share (being Tranche 2 of Placement C).
- (vi) On 1 May 2024, the Company issued 555,600,000 shares upon the conversion of zero exercise price options, expiring 5 March 2027.
- (vii) On 11 June 2024, the Company issued 400,000,000 shares upon conversion of 500,000 \$1.00 convertible notes at an issue price of \$0.00125 per share.

11. CONTINGENT LIABILITIES

(a) Royalties

On 26 March 2024, the Company completed the acquisition of the remaining 66.7% interest in Amalgamated with the vendors to retain a US\$1/t royalty on tonnes mined and sold from its subsidiary's tenement.

(b) Other contingent liabilities

There were no other material contingent liabilities at 30 June 2024 (31 December 2023: nil).

12. COMMITMENTS

(a) Commitments of Group

Exploration & evaluation commitments – Guinea

The Group has certain minimum obligations in pursuance of the terms and conditions of tenement licences in the forthcoming year. The expenditure commitment for the Group for later than 2 years but not later than 5 years is uncertain, as the tenements require re-application prior to this date, of which the outcome is not certain. Whilst these obligations are capable of being varied from time to time, in order to maintain current rights of tenure to mining tenements, the Group estimates it will be required to spend the following.

| | 30 Jun 2024 ² | 31 Dec 2023 ¹ |
|---|--------------------------|--------------------------|
| | \$ | \$ |
| Within 1 year | 4,545,454 | 2,541,754 |
| Between 1 and 2 years | 4,545,454 | - |
| Later than 2 years but not later than 5 years | - | - |
| | 9,090,908 | 2,541,754 |

1 For the period ended 31 December 2023 the balance reflects the commitments of the Associate. Pursuant to the terms of the Definitive Agreement, the Group was required to satisfy \$2,500,000 of exploration expenditure funding for the Simandou North Iron Project within 24 months from date of completion of Stage 1 (being the expenditure commitment).

2 On 26 March 2024, the Group completed the acquisition of the 100% beneficial interest in Amalgamated. The expenditure commitment reflects the estimated ongoing minimum obligations in pursuance of the terms and conditions of the tenement licence.

Exploration & evaluation commitments – Burkina Faso

The Group has certain minimum obligations in pursuance of the terms and conditions of tenement licences in the forthcoming year. The expenditure commitment for the Group for later than 1 year is uncertain due to force majeure,

and the tenure beyond this date is uncertain. Whilst these obligations are capable of being varied from time to time, in order to maintain current rights of tenure to mining tenements, the Group estimates it will be required to spend the following.

| | 30 Jun 2024 | 31 Dec 2023 |
|---|-------------|-------------|
| | \$ | \$ |
| Within 1 year | 323,272 | 138,745 |
| Between 1 and 2 years | - | 60,583 |
| Later than 2 years but not later than 5 years | - | - |
| | 323,272 | 199,328 |

13. SHARE-BASED PAYMENTS EXPENSE

(a) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

| | 30 Jun 2024 | 30 Jun 2023 |
|----------------------|-------------|-------------|
| | \$ | \$ |
| Share-based payments | 5,284,501 | 70,075 |

Share-based payments are provided to Directors, employees, consultants and other advisors.

The issue to each individual Director, consultant or advisor is controlled by the Board and the ASX Listing Rules. Terms and conditions of the payments, including the grant date, vesting date, exercise price and expiry date are determined by the Board, subject to shareholder approval where required.

i. Options – Directors

During the period to 30 June 2024, the Company issued the following securities:

- 975,000,000 unlisted options with an exercise price of nil expiring 15 February 2027 were issued to Directors (or their nominee) (**Director C Options**); and
- 90,000,000 unlisted options with an exercise price of nil expiring 15 February 2028 were issued to Directors (or their nominee) (**Director D Options**).

These options vested immediately and were valued by applying a Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The following table details the inputs to the valuations for each option class:

| | <u>Director C Options</u> | <u>Director D Options</u> |
|----------------------------------|---------------------------|---------------------------|
| Dividend yield (%) | Nil | Nil |
| Expected volatility (%) | 100% | 100% |
| Risk free interest rate (%) | 3.658% | 3.658% |
| Exercise price (\$) | Nil | Nil |
| Marketability discount (%) | Nil | Nil |
| Expected life of options (years) | 3 | 4 |
| Share price at grant date | 0.5¢ | 0.5¢ |
| Value per option | 0.5¢ | 0.5¢ |

ii. Options – Advisors

During the period to 30 June 2024, the Company issued the following securities:

- 120,000,000 unlisted options with an exercise price of 0.9¢ expiring 1 May 2027 were issued to Advisors (or their nominee) (**Advisor Options**).

These options vested immediately and were valued by applying a Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The following table details the inputs to the valuations for each option class:

| | <u>Advisor Options</u> |
|----------------------------------|------------------------|
| Dividend yield (%) | Nil |
| Expected volatility (%) | 100% |
| Risk free interest rate (%) | 3.774% |
| Exercise price (\$) | 0.9¢ |
| Marketability discount (%) | Nil |
| Expected life of options (years) | 3 |
| Share price at grant date | 0.5¢ |
| Value per option | 0.26¢ |

iii. Options – Employees

During the period to 30 June 2024, the Company issued the following securities:

- 485,000,000 unlisted options with an exercise price of nil expiring 23 April 2028 were issued to Employees and Consultants (or their nominee) (**Employee Options**).

These options vested immediately and were valued by applying a Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The following table details the inputs to the valuations for each option class:

| | <u>Employee Options</u> |
|----------------------------------|-------------------------|
| Dividend yield (%) | Nil |
| Expected volatility (%) | 100% |
| Risk free interest rate (%) | 4.03% |
| Exercise price (\$) | Nil |
| Marketability discount (%) | Nil |
| Expected life of options (years) | 4 |
| Share price at grant date | 0.45¢ |
| Value per option | 0.45¢ |

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iv. Forfeited – Options & Performance Rights

During the period to 30 June 2024, the following securities did not vest:

- 2,500,000 unlisted options with an exercise price of \$0.0070 expiring 24 October 2025;
- 30,000,000 performance rights expiring 31 December 2026.

An amount of \$13,674 has been reversed in share-based payments expense as a result of the forfeitures.

14. OPERATING SEGMENTS

The Group is organised into one operating segment, being exploration in West Africa. This is based on the internal reports that are being reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM) in assessing performance and in determining the allocation of resources. As a result, the operating segment information is as disclosed in the statements and notes to the financial statements throughout the report. The Company operates in one reportable segment, being exploration in West Africa. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

15. FINANCIAL RISK MANAGEMENT

(a) Risk management activities

The risk management activities are consistent with those disclosed in the 31 December 2023 Annual Report.

(b) Financial instruments

Financial instruments held by the Group include cash and cash equivalents, trade and other receivables, lease liabilities, trade and other payables, the balances of which at 30 June 2024 and 31 December 2023 are shown in the statement of financial position. As at the balance date, their fair values are approximately the same as their carrying values.

(c) Fair value hierarchy

AASB 13: Fair Value Measurement requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs)

The fair value of the Group's contingent consideration is measured using management's weighted probability of performance milestones being achieved. These instruments are included in level 3.

16. RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Related party transactions

As noted in the FY23 Annual Report, the Group disclosed transactions with Mitchell River Group Pty Ltd (a related party of Dr Frazer Tabcart). The relationship remained and transactions continued throughout the period, and there has been no significant change in the nature of these transactions.

(b) Key Management Personnel

The Key Management Personnel (KMP) of the Group comprise all Directors (Executive and Non-Executive), the Chief Financial Officer, Projects Director and Technical Manager who have authority and responsibility for planning, directing and controlling the activities of the Group.

During the period, Mr David Flanagan was engaged as Managing Director, Mr Jeff Dowling joined the Board as Non-Executive Chairman, Mr Chris Tuckwell was appointed as Non-Executive Director, Mr Tony Muir was appointed as Chief Financial Officer, Jeremy Sinclair was appointed Projects Director and Marcus Reston was appointed Technical Manager. Dr Frazer Tabearth and Mr Alwyn Vorster resigned as Non-Executive Directors. Mr McKeith transitioned to Non-Executive Director. There have been no other changes to KMP during the period.

(c) Remuneration

Mr David Flanagan is engaged under an employment contract for an indefinite term subject to specified termination provisions. His total fixed remuneration (TFR) comprises of an annual salary of \$350,000 per annum inclusive of superannuation contributions.

There have been no other significant changes to remuneration arrangements with KMP during the period.

(d) Securities issued to Directors

1,065,000,000 unlisted options were issued to Directors during the period. 775,000,000 unlisted options expiring 15 February 2027 with an exercise price of nil and 90,000,000 unlisted options expiring 15 February 2028 with an exercise price of nil were issued to Mr David Flanagan, 100,000,000 unlisted options expiring 15 February 2027 with an exercise price of nil were issued to Mr Jeff Dowling and 100,000,000 unlisted options expiring 15 February 2027 with an exercise price of nil were issued to Mr Tommy McKeith. There were no other securities issued to Directors (or their nominees) as part of remuneration packages during the period.

17. SUBSEQUENT EVENTS

On 1 August 2024, the Company announced that it had entered into an agreement to be granted an option to acquire 100% of the Niagara Bauxite Project for an option fee of \$400,000 payable in cash and shares in the Company.

On 1 August 2024, the Company announced that 30,000,000 unlisted options had lapsed without exercise or conversion.

On 22 August, the Company announced it had received firm commitments from institutional and sophisticated investors to raise gross proceeds of approximately \$5 million (before costs) in two tranches. On 30 August 2024, the Company issued 2,150,000,001 Tranche 1 placement shares at \$0.0022 (0.22 cents) per share raising \$4.73 million (before costs), with Tranche 2 placement shares remaining subject to shareholder approval.

No other matters or circumstances have arisen since 30 June 2024 which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

(a) The financial statements and notes of the Group for the half-year ended 30 June 2024 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, International Financial Reporting Standard, IAS 34 Interim Financial Reporting and the Corporations Regulations 2001, and other mandatory professional reporting requirements.

(b) Subject to the matters set out in Note 1(c), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board



Mr David Flanagan
Managing Director

Perth, 4 September 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Arrow Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Arrow Minerals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Arrow Minerals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibility for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
4 September 2024



B G McVeigh
Partner

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