

Simandou North Iron Project

Baosteel Resources and Arrow Minerals sign Iron Ore Development MOU

Key Points

- The Non-Binding Memorandum of Understanding (MOU) provides a framework to negotiate binding agreements to deliver Arrow Minerals iron ore to steel mill customers.
- The MOU focuses on the negotiation of binding mine gate iron ore sales contracts.
- The framework includes provision for all key commercial elements including iron ore pricing, freight, ore haulage, ore handling, ship loading and government royalties.

Arrow Minerals Limited (ASX: **AMD**) (**Arrow**) is pleased to advise that it has reached an important milestone in relation to accessing the benefits of the Simandou multi-user railway. Arrow has signed an MOU providing a framework for potential mine gate sales of iron ore to Baosteel Resources Holding (shanghai) Co.Ltd (**Baosteel**) from Arrow's Simandou North Iron Project. The MOU is non-binding and remains subject to Arrow's resource and reserve estimation, completion of studies on the project, project development, and negotiation and execution of definitive agreements.

Baosteel is a wholly owned subsidiary of the BaoWu Group. BaoWu Group is the world's largest steel producer and one of the lead proponents of the Simandou Iron Ore Project, the largest undeveloped high-grade iron ore deposit in the world.

BaoWu Group is a substantial contributor of expertise, engineering services, process equipment and funding to the Simandou Iron Ore Project, and an equity shareholder in the mining and infrastructure entities underpinning the development. The BaoWu Group are also highly successful long term participants in large scale iron ore joint venture projects throughout the world, including the Pilbara of Western Australia, since the early 1960's.

Arrow Managing Director David Flanagan said: "This is an important milestone for Arrow, the Simandou North Iron Project and Guinea. The delivery of multi-user infrastructure will continue to attract significant global investment which in turn will promote the growth of a world class mining industry. That will result in globally competitive operations, substantial local employment and extensive national benefits."

"It has taken millions of man-hours, billions of dollars and thousands of pages of contracts for all the joint venture partners, including BaoWu Group, to develop the Simandou Iron Project, which is due for commissioning in late 2025. It is important to recognise the significant role that the Guinea Government has played in ensuring that this infrastructure is delivered as a 'multi-user' facility that has the potential to support numerous industries and provide substantial benefits to Guinea."

“Blocks 1 and 2, as part of Simandou Iron Project, are directly adjacent to Arrow’s Simandou North Iron Project which creates real operating synergies due to their close proximity. Future mine gate sales will deliver Arrow clear access to markets for our product and optimal alignment with our nearest neighbour.”

“Since commencing field activities at our Simandou North Iron Project in 2023, Arrow has completed 521 holes for a total 10,309 metres, culminating in an Exploration Target announcement and the intention to move to resource drilling and scoping studies in 2025.”

The Exploration Target for the Simandou North Iron Project was previously announced by the Company to the ASX on 6 August 2024 in the report titled “Exploration Target for Hematite Fines Project”, which is available for review on the Company’s website, and the ASX website as referenced below.

The Exploration Target for the Simandou North Iron Project¹ is estimated between approximately 281 and 716 million tonnes of Simandou Formation Oxide BIF, at 33-46% Fe. The Company is encouraged by the preliminary metallurgical testwork undertaken on the same mineralisation which achieved a 61-64% Fe, low alumina (<0.5%) hematite fines product from a simple wet gravity process. The beneficiation methods to be further assessed in future programs are widely used in iron ore processing in the Pilbara and globally in mineral sands production. In contrast to Pilbara iron ore beneficiation processes where most are seeking to reduce alumina and silica in the final product, for this project the beneficiation process is only about reducing silica in the final product. The mineralisation of Simandou Formation Oxide BIF is naturally very low in alumina.

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.

¹ Refer to ASX Announcement dated 6 August 2024 “Exploration Target for Hematite Fines Project”

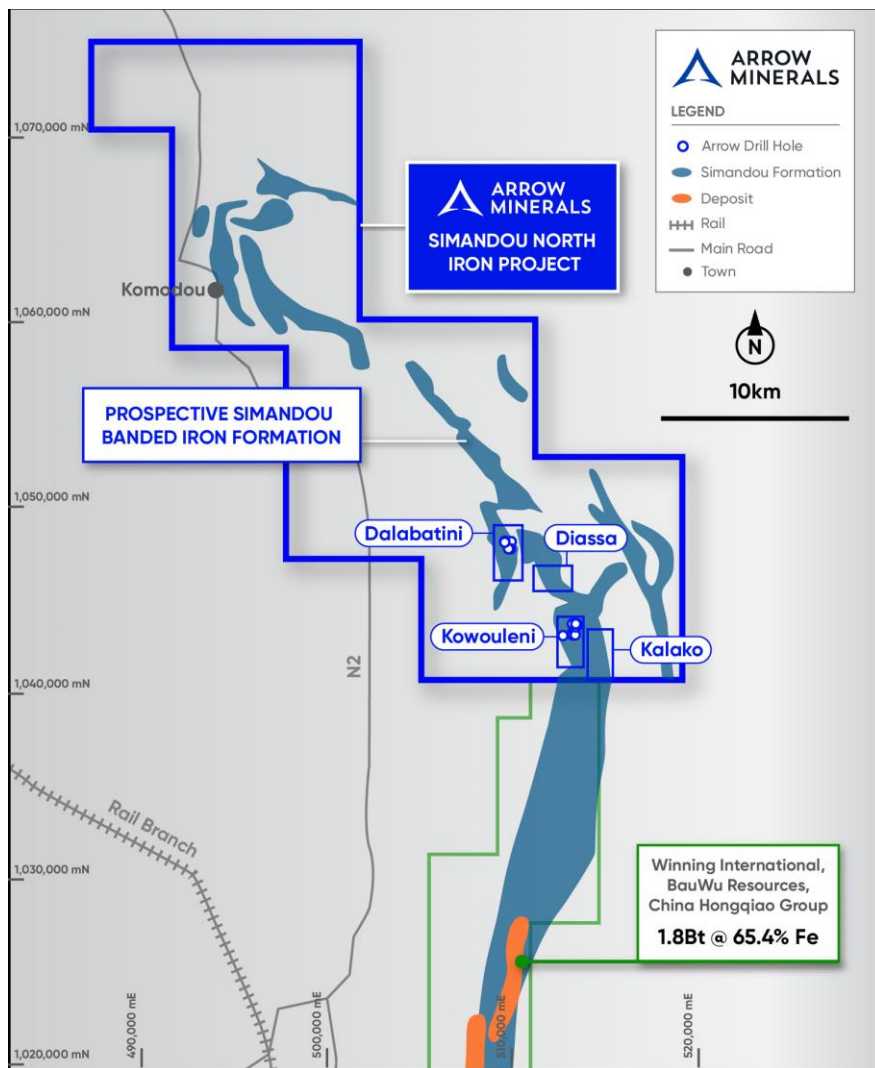


Figure 1. Location of Arrow Simandou North Iron Project.

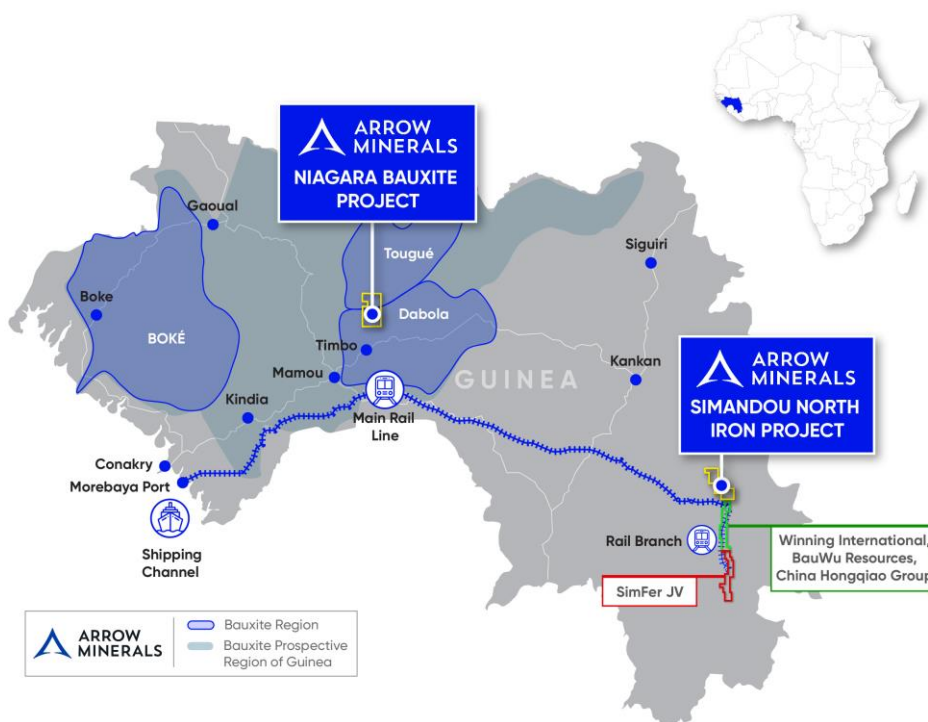


Figure 2. Location of Arrow Projects in Guinea.

MOU Key Terms;

- The MOU is non-binding, except in relation to selected clauses relating to disclosure, confidentiality and costs.
- The parties will meet monthly to progress all key elements of discussions relating to the negotiation and implementation of a binding mine gate sale agreement.
- Key elements of the mine gate sale agreement to be negotiated include but are not limited to stockpile logistics, product specification and pricing.

Announcement authorised for release by the Board of Arrow.

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

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About Arrow Minerals

Arrow is focused on creating value for shareholders through the discovery and development of multiple economic iron ore and bauxite prospects at its Simandou North Iron Project and its Niagara Bauxite Project², located in Guinea, West Africa, and through validation and resource drilling, economic studies, permitting and development pathways. The Company intends to fully realise the value of the Projects by accessing multi-user rail and port infrastructure.

<https://arrowminerals.com.au/asx-announcements/>

<https://www.asx.com.au/markets/company/AMD/>

The information regarding the Exploration Target for Simandou North is extracted from the report entitled “Exploration Target for Hematite Fines Project” created on 6 August 2024 and is available to view on the Company and ASX websites referenced above. The Company confirms that it is not aware of any new information or data that materially affects the information included in that report, including the Exploration Target. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that report.

² Refer to ASX Announcement dated 1 August 2024 entitled “Arrow Expands Bulks Presence with Major Bauxite Transaction” for further details.

Competent Persons' Statement

The information in this announcement that relates to Exploration Targets is based on information compiled by Marcus Reston, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Reston has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Reston is an employee of the Company and has performance incentives associated with the successful development of the Simandou North Iron Project. Mr Reston consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This announcement contains "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. These forward-looking statements are based upon a number of estimates, assumptions and expectations that, while considered to be reasonable by the Company, are inherently subject to significant uncertainties and contingencies, involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and any of its officers, employees, agents or associates.

Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Exploration potential is conceptual in nature, to date there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Readers are cautioned not to place undue reliance on forward-looking statements and the Company assumes no obligation to update such information made in this announcement, to reflect the circumstances or events after the date of this announcement.