ABN 31 004 766 376

CONDITIONAL ARBITRATION FUNDING AGREEMENT EXECUTED TO FUND THE COSTS OF POTENTIAL CLAIMS AGAINST EGYPT

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The Directors of Arrowhead Resources Limited (Arrowhead or the Company), are pleased to report that the Company has signed a conditional Arbitration Funding Agreement with a Guernsey-based subsidiary of the Calunius Litigation Risk Funds (the Funder), under which the Funder has agreed to consider funding the costs of the Company's legal claims against the Arab Republic of Egypt (Egypt).

The legal case and the conditional funding arrangement:

Arrowhead and its 100% owned subsidiary, Tantalum International Pty Ltd (**TIPL**), intend to jointly prosecute claims against Egypt in proceedings which relate to the alleged expropriation (amongst other claims) of TIPL's 50% interest in the large scale Abu Dabbab Tantalum-Tin-Feldspar project (the **Project**), located in southern Egypt. TIPL's interest in the Project (amongst other assets) are held via its 50% equity in Egyptian registered Tantalum Egypt JSC, the holding entity of the Project tenements.

The Funder is a specialist in financing the arbitration and litigation of international disputes. The conditional Arbitration Funding Agreement is subject to full due diligence by the Funder and its external counsel, with a view to being completed within four weeks. Given the purpose of the conditional funding support and nature of the underlying legal process the key terms and conditions are "commercial in-confidence". If the Conditional Arbitration Funding Agreement becomes binding, the arbitration process is successful, an award for compensation is made and the Company successfully recovers the proceeds of its award from Egypt, the Funder will recoup its expenses plus a risk fee which will comprise a proportion of any award.

The GBG acquisition and staying focused:

There is no link between the conditional funding agreement and the acquisition of 100% of the issued capital of Gaming Battle Ground (**GBG**), announced on 22 June, 2017; completion of which is subject to obtaining all necessary shareholder and regulatory approvals. The acquisition of GBG remains management's core focus and to avoid any distraction or incidental financial burden on the incoming management of the "new" company, Arrowhead has signed a management agreement with the directors of TIPL (**TIPL Directors**). The TIPL Directors will assume all responsibility for the management and participation in the arbitration process and the regulatory maintenance of the Company without salary or fees but incentivised by a success fee payable from any award. For clarity; Arrowhead is a joint claimant, but the action will be managed entirely by TIPL with the majority of any award funds post the Funder's payments planned to be distributed to TIPL shareholders.

The Company will provide further details regarding the GBG acquisition and the TIPL spin-out as part of the transaction process.

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