



ASX SYMBOL: AMD

DIRECTORS / OFFICERS

Tommy McKeith
Chairman

Hugh Bresser
Managing Director

Frazer Tabeart
Non-Executive Director

Alywn Voster
Non-Executive Director

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Melissa Chapman**
Joint Company Secretary

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SALE OF RESIDUAL MINERAL RIGHTS, WESTERN AUSTRALIA

Highlights

- Arrow enters into agreement with Raiden Resources Limited (ASX:RDN) (Raiden) over the Lithium-Caesium-Tantalum mineral rights in tenements E47/3476 & E47/3478 in Western Australia.
- Raiden may either:
 - purchase 100% interest, for \$550,000 (cash and shares) within 3 months, with Arrow retaining a 1% NSR royalty, or
 - earn up to 85% interest through staged payments totalling \$750,000 and meeting exploration expenditure commitments of \$8,000,000.
- Arrow to benefit from exposure to exploration activities conducted by Raiden whilst focusing on the advancement of the Simandou North Iron Project in Guinea.
- Funds to be used to advance West African opportunities.

Arrow Minerals Limited (ASX:AMD) (**Arrow**, or the **Company**) is pleased to announce that it has entered into a binding option and earn-in agreement (**Agreement**) with Raiden Resources Limited (ASX:RDN) (**Raiden**) for the sale of Arrow's lithium-caesium-tantalum (Li-Cs-Ta) mineral rights in tenements E47/3476 & E47/3478 (**Tenements**) located in the Pilbara, Western Australia (**Mineral Rights**).

Background

Historically Arrow sold 100% of Pilbara Gold Corporation Pty Ltd (PGC), holding company of tenements E47/3476 and E47/3478 to Pacton Gold Inc (TSX-V:PAC) (**Pacton**) whilst retaining the rights to explore, mine and extract lithium, caesium and tantalum on these tenements (see AMD ASX announcement 21 September 2018). Raiden purchased PGC from Pacton (see RDN ASX announcement 13 October 2020) with Li-Cs-Ta mineral rights continuing to reside with Arrow.

Arrow Managing Director, Hugh Bresser commented "The agreement provides Arrow with a mechanism to realise long term value from residual mineral rights associated on these tenements whilst also gaining exposure to broader exploration activities conducted by Raiden. Arrow will continue to focus on delivering long term value for shareholders through its focus on West Africa and through the advancement of the Simandou North Iron Project in Guinea."

Transaction Terms

Under the terms of the Agreement, Raiden will have the exclusive right to earn up to an 85% interest in the Granted Li-Cs-Ta rights (with an option to acquire the remaining 15% to attain a 100% interest in the Li-Cs-Ta rights), and potentially form a joint venture, by fulfilment of certain milestone and expenditure obligations in relation to exploring for Minerals within the Tenements on the terms set out in the Agreement.

Raiden will also have the exclusive option to acquire an immediate 100% interest in the Li-Cs-Ta rights (Upfront Option) during the upfront option Period, subject to the satisfaction of the Upfront Option Conditions.

The key terms of the Agreement are summarised below;

- **Execution Fee:** Within five (5) business days of the date the last party executes the Agreement (Execution Date), Raiden will make a cash payment of \$50,000 in immediately available funds to a bank account nominated by Arrow (or its nominee/s).
- **Upfront Option:** If Raiden elects to exercise the Upfront Option within 3 months from execution of the agreement, Raiden (or its nominee) will have the option to acquire 100% of the rights by;
 - Making a cash payment of \$250,000 to Arrow and
 - Issue that number of fully paid ordinary shares in the capital of Raiden (**RDN Shares**) equal to the value of \$250,000 divided by a deemed issue price equal to a twenty (20) day volume weighted average price (**VWAP**) of the RDN Shares as traded on the ASX prior to the date that the election notice is given,

If Raiden elects to exercise the Upfront Option, it will acquire 100% of the Li-Cs-Ta rights. Arrow will retain a 1% Net Smelter Royalty (**NSR**), over the Mineral Rights, with Raiden retaining the first right of refusal if Arrow wishes to sell the NSR.

- **Earn-in Option:** If Raiden does not elect to exercise the Upfront Option, it will have right to earn up to an 85% interest in the Mineral Rights over the Tenements and form a joint venture with Arrow (**Joint Venture**) by satisfying the following obligations:
 - Initial Option: Incurring at least \$1m on exploration expenditure on the Tenements within 3 years from execution of the Agreement to acquire an initial 51% interest;
 - Second Option:
 - Paying to Arrow (or its nominee/s) \$150,000 in cash, or at Raiden's sole election, in RDN Shares at a deemed issue price equal to a twenty (20) day VWAP of the RDN Shares as traded on the ASX prior to the date that the Initial Option is validly exercised, to be entitled to proceed with the Second Option; and
 - Thereafter, incurring at least \$2m on exploration activities on the Tenements over a further 3-year period to increase its interest in the Mineral Rights to 75%.
 - Third Option:
 - Paying Arrow (or its nominee/s) \$550,000 in cash or, at Raiden's sole election, in RDN Shares at a deemed issue price equal to a twenty (20) day VWAP of the RDN Shares as traded on the ASX prior to the date that the Second Option is validly exercised, to be entitled to proceed with the Third Option; and
 - Thereafter:

- incurring further exploration expenditure on the Tenements (following the exercise of the Second Option) of the lesser of the amount required to complete a preliminary feasibility study in relation to any of the Minerals within the Tenements and \$5,000,000; and
- announcing to the ASX a preliminary feasibility study in relation to any of the Minerals within the Tenements,

to increase its interest in the Mineral Rights to 85%.

- **Arrow's option to withdraw from joint venture:** On formation of the Joint Venture, if at any time Arrow wishes to withdraw from the joint venture, Raiden will have pre-emptive right to buyout Arrow's interest in the Joint Venture.

ARROW MINERALS STRATEGY

Arrow Minerals has a strategy of delivering long-term value to shareholders through the discovery and development of economic mineral deposits in West Africa. Arrow has beneficial rights of 33.3% in the Simandou North Iron Project, Guinea and a clear road map to extend these rights to 60.5% within 24 months. Arrow aims to systematically advance the Simandou North Iron Project over the coming months to identify areas of high-grade iron within the project area and realise the potential value released through the major infrastructural upgrades, rail and port, underway in the region.

Announcement authorised for release by Mr Hugh Bresser, Managing Director of Arrow Minerals.

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