

NEWS
For Immediate Release

TSX-V: AWS

Arrowstar Proposed Program on Roberts Lake, Quebec Iron Ore Property

Highlights:

- **Magnometry, geochemistry sampling and reconnaissance exploration program to cover key magnetic anomalies identified in the centre of the tenements located about 40km northwest of Kangirsuk and 1,647 km north of Montreal, Quebec.**
- **The Roberts Lake property is composed of 128 claims in the Ungava Bay iron formation. Property in the area has been drilled in 1970 and again in 2011 with good results.**
- **Outcome will be assessed for further work required prior to identification of drilling targets for core drilling program planned for summer, 2013.**

Vancouver, B.C. – May 31, 2012, Robert L. Card, President of Arrowstar Resources Ltd., (“Arrowstar” or the “Company”) (TSXV: AWS), is pleased to report on the Company’s proposed exploration program and field work on the magnetic anomaly target to commence in late June.

The Arrowstar exploration team has planned a program of measuring the magnetic susceptibility of surface and trenched samples and with geochemistry analysis to correlate the Fe magnetic and total values with the magnetic susceptibility values. This will provide a good indicator of iron ore grades across the abundant outcrop if a strong correlation exists.

The Company also plans a combined ground-based IP and a gravity anomaly survey implemented on a cut grid, once this initial work is completed. After this work is completed, Arrowstar expects to have sufficient data for a diamond drill program to determine an inferred or indicated 43-101 resource estimate.

The company has determined that Quebec is strategically important for a number of reasons. Implementation of the government's "Plan Nord" is underway: \$2.1 billion of government investment is earmarked over the next 5 years. Overall, the 25-year plan is expected to lead to over \$80 billion in investment. Proximity to nearby Payne Bay provides the property with close access to a potential deep-water port.

Arrowstar's option to purchase 128 claims along the extensive Ungava Bay Iron Formation is part of Arrowstar’s strategic plan to become one of a number of iron ore producers in the area. The claim is in close proximity to Oceanic Iron Ore Corp's (TSX-V: FEO) large Roberts Lake iron ore claims. On January 23, 2012, Oceanic announced better than expected assay results from the Kayak Bay deposit in the Roberts Lake project area as part of their 2011 drilling program

consisting of approximately 11,500 meters of drilling in the Hopes Advance project area, and 1,089 meters of drilling in the Roberts Lake project area. Oceanic has indicated that the Roberts Lake project area is expected to be the next area of focus for their resource verification program. Arrowstar believes its property's value is enhanced by its strategic location because, if sold or optioned to them, it could consolidate Oceanic's land holding at their Ungava Bay properties, and could provide an addition to their stated iron ore reserves (currently, a NI 43-101 compliant 193 million tonne indicated resource, and a 547 million inferred resource at Hopes Advance, as per Oceanic's May 17, 2012 press release).

Work Program Timeline – Two Phase Program

In summary, Arrowstar has prepared an exploration plan that will include:

Summer, 2012

- Reconnaissance of the historical data and grid soil and rock chip sampling with an XRF gun and magnetic susceptibility meter. This will allow us to correlate Fe Total and Fe mag. values with magnetic susceptibility, to indicate the possibility of dry magnetic beneficiation.
- Mineralogy and petrology studies will also be conducted to analyze the presence of the titanium and vanadium mineralization in the magnetite and the extent of silica, sulphur, phosphorous and alkalis.
- A ground based IP magnetic and gravity study to identify key changes in mineralogy and the extent of mineralization. No gravity surveys have been completed to date and this will be completed prior to a drilling phase.

Summer, 2013

- In phase two, a diamond drilling program directed by the results of the above studies will be commissioned on suitable targets so that a Resource Estimate can be produced followed by a Feasibility Study.
- A beneficiation study using samples to ensure the results are statistically significant and the proposed beneficiation process design is proven at pilot plant size. This stage is particularly important to the success of the project given the relatively high cost of crushing to 100 mesh.

A two-phase, exploration program is proposed to complete the drilling necessary to confirm a CIM and NI 43-101 compliant inferred (and possibly indicated) mineral resource in the Roberts Lake area. If chemical analysis results are favourable, then further drilling at closer spacing will be required to identify a measured or indicated resource.

Phillip Thomas, BSc, MBusM, MAIG, a Qualified Person under NI 43-101, has reviewed the content of this release.

On Behalf of the Board of Directors,
Arrowstar Resources Ltd.

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