

NEWS

For Immediate Release

TSX.V: AWS

Arrowstar Proposed Ground Geophysics Program on Rannie Lake, Labrador Iron Ore Property

Vancouver, B.C. – June 28, 2012 - Arrowstar Resources Ltd., (“Arrowstar” or the “Company”) (TSXV: AWS), is preparing its exploration program on the Company’s Rannie Lake project in Labrador, Canada. Desk top research of the available data has been concluded.

The property covers some 4,300 hectares and it is noted that outcrop is sparse and undergrowth is prolific. A detailed ground based geophysics and sampling study is being considered in July 2012 subject to environmental approvals, weather, ground condition and resource availability. Rannie Lake is an important iron ore property, consisting of 172 claims in a major magnetite-rich zone, in the Sokomon Iron Formation, in the Labrador Trough. Rannie Lake has strategic importance similar to Arrowstar’s Roberts Lake project. It is surrounded by large properties owned by Altius Minerals Corp. (TSXV: ALS) in partnership with Rio Tinto.

An aeromagnetic survey was completed in 2001 by Terraquest on behalf of the Iron Ore Company of Canada. Its purpose was to further define the extension of the Sokoman Formation containing the only magnetic rocks in the area between Fermont and Rannie Lake utilizing high-resolution magnetic data. The Arrowstar exploration team will conduct a ground survey and take grab samples where possible for geochemical analysis and also structural geological observations.

Typical of the Knob Lake Range, Schefferville area, there are soft iron ores (direct shipping ore) composed of friable fine-grained secondary iron oxides - hematite, goethite, limonite - formed by supergene leaching and enrichment of the weakly metamorphosed cherty iron formation. Magnetite iron formation or taconite, fine grained, weakly metamorphosed iron formations comprised of magnetite-specularite with above average magnetite content are also evident.

Metataconite, characteristic of the south section, Labrador West and eastern Quebec, is intensely metamorphosed iron formation containing recrystallized coarse-grained magnetite and hematite. Refolded iron formations attain several hundreds of metres in structural thickness and iron oxides tend to concentrate in fold hinges; deposits reach hundreds of millions tonnes grading 25 to 45% iron. The iron ore is easy to separate from its gangue minerals and produces, by gravity or magnetic separation, a high-grade iron concentrate of 66%Fe and above.

The Company’s objective initially for Rannie Lake is to identify one or more bona fide iron-oxide targets, either taconite or meta-taconite, that may exist on the property. Some work on historical structural interpretation has been completed however parameters such as thickness, grade, and magnetic susceptibility, alteration of the magnetite and other factors need to be determined. Geophysical and geological mapping surveys for target validation and outline are required to provide a better understand and evaluate the oxide-rich horizon for an ensuing drilling program.

Rannie Lake is an early-stage exploration property and may host a Lake Superior-type iron formation target.

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

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

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