

NEWS
For Immediate Release

TSX-V: AWS

Arrowstar Exploration Program on Roberts Lake, Quebec Identifies Three Large Outcrops showing Iron Ore Mineralization

Highlights:

- **Three large magnetite outcrops, the largest measuring 500 metres by 600metres were identified in the west of the 128 claims located about 40km northwest of Kangirsuk and 1,647 kilometres north of Montreal, Quebec.**
- **25 samples were taken and values were recorded on the “Magnetite” Scale of a KT-10 Plus magnetitic susceptibility meter.**
- **The samples will be assayed and a ground based magnetic survey planned as follow up.**

Vancouver, B.C. – July 27, 2012, Robert L. Card, President of Arrowstar Resources Ltd., (“Arrowstar” or the “Company”) (TSXV: AWS), is pleased to report that Phillip Thomas, Vice – President Exploration and Director visited the property on 14 June 2012 and was able to locate three large outcrops of shallow dipping granodiorites, and carbonates containing magnetite and hematite. The chert-magnetite-hematite iron formation contains specularite an altered magnetite mineral.

Significant outcrop and float is exposed on the surface with no trees and very little overburden. There are numerous small lakes in the area.

The general stratigraphic sequence observed is composed of an Archean age granite gneiss basement; unconformably overlying the granite gneiss is a succession of meta-sedimentary rocks. Immediately overlying the granite gneiss in some areas is quartzite of the Ford Lake Formation. The quartzite contains surface expressions of magnetite and lenses or pods of mica schist. The quartzite grades upward into the Sokoman Iron Formation. The iron formation may be further subdivided based on variations in magnetite, hematite, carbonate and iron silicates. A conspicuous spotted iron silicate-carbonate-quartz bed that caps the iron formation was identified at site two. Micaceous schist and slate that are intruded by gabbro sills overlie the Sokoman iron formation. This was identified as outcrop and float predominately in outcrop three.

Strong folding has resulted in a structural influence on the iron formation. Thrusting and recumbent folding of the iron formation in several areas has led to limb thickening, thinning, and doubling up of the mineralized horizons in some locations. The known deposits or more prospective areas on the property are those areas where the iron formation has been deformed and is now flat-lying, or slightly dipping with a strike to the NNE and

dipping about 15 degrees, and raised above the surrounding non-mineralized rocks, deformed into anticlines or synclines, doubled up or otherwise thickened.

Concentrating ores are typically composed of magnetite and or hematite and silicate minerals at relatively low grades (20-30% Fe) that require grinding to liberate magnetite and/or hematite from the silicate minerals. Magnetite is concentrated by magnetic methods and hematite is concentrated by gravity or flotation methods.

The value of concentrating ores is determined by a combination of Fe grade and ease of liberation. For example, a lower Fe grade ore may have a higher value than a higher Fe grade ore if it liberates at a coarser grind enabling greater throughput with lower grinding costs.

Samples have been sent for assay and will be reported when available.

Phillip Thomas, BSc, MBus, 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.

“Robert L. Card”

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