



Arc Minerals Limited - Sale of Casa - Replacement, correction of date

11/13/2019

RNS Number : 2662T

Arc Minerals Limited

13 November 2019

The following amendment has been made to the 'Sale of Casa Mining' announcement released on 13 November 2019 at 07:00 am under RNS No 1903T.

Completion of the Transaction is conditional on, inter alia, final due diligence being completed and is expected to close no later than 10 January 2020, not 10 January 2019. All other details remain unchanged. The full amended text is shown below.

13 November 2019

Arc Minerals Ltd

('Arc' or 'Arc Minerals' or the 'Company')

Sale of Casa Mining

Arc Minerals is pleased to announce that it has entered into a binding Sale and Purchase Agreement to sell Arc's entire 99.43% interest in Casa Mining Limited ("Casa") to Century Capital Management Ltd ("Century"), a Canadian private equity group (the "Purchaser") for consideration payable of up to US\$9.8m (the "Transaction"). Completion of the Transaction is conditional on, inter alia, final due diligence being completed and is expected to close no later than 10 January 2020.

The Initial Consideration

The initial consideration for the Transaction payable to the Company will comprise a cash consideration of US\$1.8m and will have a significant positive impact on Arc's cash and balance sheet position.

Contingent Payments

The Company will also be entitled to receive cash consideration of US\$2.5m payable in the event that the Minerals Resource Estimate (the "Resource") for Casa increases, during the five year period from the closing of the Transaction, to 6m ounces, with an additional US\$2.5m payable on the Resource increasing to 9m ounces and a further US\$3m for the Resource increasing to 12m ounces.

Conditions Precedent

The Transaction is subject to the satisfaction of certain conditions precedent, including the completion of due diligence to the satisfaction of the Purchaser and the obtaining of all necessary regulatory approvals by both the Company and the Purchaser.

Substantial Transaction

Casa is a private company which owns a 73.84% interest in the 3-million-ounce inferred Resource Akyanga gold deposit in the DRC.

The sale of Casa constitutes a substantial transaction under AIM Rule 12. As at 31 March 2019, the reported net book value of Arc's interest in Casa Mining Ltd and its subsidiaries, which own the Misisi gold assets, had a net book value of £21m and incurred a loss of £163,000 for the year ended 31 March 2019 (from discontinued

activities). The cost to Arc of the shares being sold is £5.1m (\$6.5m) against the gross consideration of \$9.8m representing a potential \$3.3m gain. The net proceeds of the disposal will be applied to exploration and development activities in Zambia and for general working capital purposes.

Nick von Schirnding commented: "This is a major strategic milestone for Arc. The transaction brings significant cash resources to Arc and at the same time removes ongoing opex. Crucially, it allows us to focus on our exciting Zambian copper development where we are making excellent progress both on drilling and commercially developing our plant. I am delighted to have Century acquiring Casa - we have been working closely with Century over the past few months and I am encouraged by their future plans for the project. Excitingly for Arc, we have significant further upside potential as Casa grows in size. As I have set out many times, we are clear on our vision in turning Arc into a focused copper play - this is a major step forward and we will continue all efforts to dispose of the remaining non-core gold interest, namely Šturec in Slovakia."

****ENDS****

Contacts

Arc Minerals Ltd	+44 (0) 20 7917 2942
Nick von Schirnding (Chairman)	
SP Angel (Nominated Adviser & Broker)	+44 (0) 20 3470 0470
Ewan Leggat / Soltan Tagiev	



Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

Notes to the Editors

Arc Minerals is an AIM listed exploration and mine development company focused on a diversified portfolio of mining projects with interests in Slovakia, Eritrea, the Democratic Republic of the Congo and Zambia.

Arc Minerals current holdings include:

- 100% interest in Casa Mining Limited, a private company that has a 73.84% interest in the 3-million-ounce inferred Resource Akyanga gold deposit in the DRC.
- A 66% equity interest in Zamsort Limited ("Zamsort"), a private company focused on a prospective copper licence in the Zambia Copperbelt, together with a convertible loan to Zamsort which converts into approximately a five percent additional equity interest in Zamsort.
- A 47.5% equity interest in Zaco Limited ("Zaco"), a private company focussed on a prospective copper and cobalt license adjacent to Zamsort.
- 100% ownership of the Kremnica Mining Licence Area in Slovakia which host the 1.3Moz AuEq Au PFS stage Šturec Gold Project.

For more information visit www.arcminerals.com

Forward-looking Statements

This news release contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities

laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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