



# Arc Minerals Limited - Placing, Subscription and Loan Conversion

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Arc Minerals Limited

15 May 2020

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**Arc Minerals Ltd**

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

**Placing, Subscription and Loan Conversion**

Arc Minerals is pleased to announce that it has raised GBP 2.37 million before expenses through a placing of, and subscription for, in aggregate, 139,451,726 ordinary shares ("Placing") of no par value of Arc Minerals ("Ordinary Shares") at 1.7 pence per share ("Placing Shares"). The placing was led by Shard Capital Partners LLP ("Shard").



The company will utilise the proceeds from the Placing to fund the drilling programme across the Zamsort and Zaco licences targeting exploration works over the anomalies that have been identified and for further technical studies on the Cheyeza East prospect, as well as for general working capital purposes.

The Company also announces that the Convertible Loan Note ("CLN") Lenders (as announced on 31 December 2019) have notified the company that they are converting USD 1.5 million of the principal CLN debt plus accrued interest at 1.7 pence per share resulting in the issuance of 79,426,868 shares ("Conversion Shares") to the CLN Lenders ("CLN Conversion"). Following the conversion, the balance of the principal CLN debt under the facility will be USD 200k.

As part of the Placing and CLN Conversion, every two Ordinary Shares will have one attaching warrant with an exercise period of 2 years from the date of Admission and will be exercisable at a price of 3 pence per Ordinary Share.

In consideration for services rendered in connection with the Placing and for conversion of the CLN, the Company has also agreed to grant at the date of Admission warrants over a total of 6,638,793 Ordinary Shares to Shard ("Broker Warrants") and certain CLN Lenders ("CLN Warrants"). The 873,906 Broker Warrants will have an exercise period of 2 years from the date of grant and are exercisable at a price of 3 pence per Ordinary Share, and the 5,764,887 CLN Warrants will have an exercise period of 4 years from the date of grant and are exercisable at a price of 4.5 pence per Ordinary Share.

The Company further announces that, under the Drill for Equity Programme as first announced on 29 July 2019, it has today issued 10,084,183 shares at a price of 2.58 pence per share ("Drilling Shares") representing payment of GBP 260,634 in relation to the Company's share of drilling costs incurred in the last quarter of 2019. The Drilling Shares are subject to certain trading restrictions to the volume that can be traded, which Arc will continue to monitor.

Application will be made for the Placing Shares, the Conversion Shares, and the Drilling Shares to be admitted to trading on the AIM market of the London Stock Exchange ('Admission'). The Shares will rank *pari passu* in all respects with the existing shares. Admission is expected to occur on or around 28 May 2020.

Nick von Schirnding, Executive Chairman of Arc Minerals commented:

"I am pleased that we have been able to recapitalise Arc, putting us in a strong financial position going forward. We are now focussed on commencing our very exciting copper drilling campaign in Zambia and I look forward to reporting on a number of new developments shortly."

## **Total voting rights**

Following the issue of the New Ordinary Shares, the total issued share capital of the Company consists of 966,890,274 Ordinary Shares of no par value with voting rights. The Company does not hold any Ordinary Shares in treasury. Therefore, the total number of voting rights in the Company is 966,890,274 and this figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

**\*\*ENDS\*\***

## **Contacts**

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**Arc Minerals Ltd** +44 (0) 20 7917 2942

Nick von Schirnding (Executive Chairman)

**SP Angel (Nominated Adviser & Broker)** +44 (0) 20 3470 0470

Ewan Leggat / Soltan Tagiev

## **Market Abuse Regulation (MAR) Disclosure**

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014 ("MAR"). In addition, market soundings (as defined in MAR) were taken in respect of the Placing with the result that certain persons became aware of inside information (as defined in MAR), as permitted by MAR. This inside information is set out in this announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to the Company and its securities.

## **Notes to the Editors**

Arc Minerals is an AIM listed exploration company focused on its exciting Zambian copper exploration projects.

Current holdings in Zambia include:

- A 66% equity interest in Zamsort Limited ("Zamsort"), a private company focused on a prospective copper licence in the Zambia Copperbelt.
- A 52.5% equity interest in Zaco Limited ("Zaco"), a private company focussed on a prospective copper and cobalt license adjacent to Zamsort.

For more information visit [www.arcminerals.com](http://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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