Arc Minerals Limited - Virgo Project Acquisition

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Arc Minerals Limited

04 November 2021

4 November 2021

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

Virgo Project Acquisition

Arc Minerals Ltd is pleased to announce that, following satisfaction of all conditions precedent, it is progressing to completion in relation to the acquisition of 75% of the issued capital in Alvis-Crest (Proprietary) Limited ("Alvis") from Kopore Metals Limited ("Kopore") (the "Transaction").

Terms of the Transaction:

- Arc has agreed to pay Kopore consideration of £1.2m, to be satisfied through the issue of 35,488,259 fully paid ordinary shares of no par value in the Company ("Consideration Shares"). The number of Consideration Shares is based on the 10-day VWAP, up to and including 3 November 2021, of 3.3814 pence per share. The Consideration Shares are expected to be admitted to trading on AIM on Wednesday, 10 November 2021.

- Arc have the option to acquire the remaining 25% of Alvis for US$5m exercisable until Arc makes a final investment decision, which would be upon

the completion of a bankable feasibility study in respect of the licences.

- Arc is committed to spending US$200,000 per annum on the prospects and would be required to procure that Alvis pays a 1% net smelter royalty, capped at US$30m to Kopore. The royalty can be bought out at a cost of US$5m until Arc makes a final investment decision.

- In the year ended 30 June 2021, Alvis made an unaudited loss of 696,207 Botswanan Pula (approximately £45,000). At the same date, Alvis had unaudited net liabilities of 6,422,447 Botswanan Pula (approximately £410,000).

Alvis is the holder of two prospecting licences in Botswana's Kalahari Copper Belt. The licenses, covering over 210km2, are approximately 10km south east of the large underground Khoemacau Copper mine recently commissioned by Cupric Canyon Capital LP. Please see the below link to a map of the licences:

http://www.rns-pdf.londonstockexchange.com/rns/3027T_1-2021-3-24.pdf

Figure 1. Image showing exploration licenses PL 135/2017 & PL 162/2017 ('Virgo Prospects') in the Kalahari Copper Belt and the known deposits discovered to date. (Source: Slide 8, Kopore Metals Presentation March 2021)

Nick von Schirnding, Executive Chairman of Arc Minerals stated:

"The acquisition of Alvis expands Arc's portfolio with a very interesting asset in an emerging copper district. There is a global rush for attractive copper projects and the Kalahari Copper Belt is becoming a very attractive location for global mining groups."

Consideration Shares

Application will be made to the London Stock Exchange for the admission of the 35,488,259 Consideration Shares based upon a 10-day VWAP of 3.3814 pence per share for a total consideration value of £1.2 million (approx. AU$2.2 million). The Consideration Shares will be subject to customary orderly sale provisions. It is expected that admission will be effective, and dealings in the Consideration Shares will commence, at 8.00 a.m. on 10 November 2021.

Total Voting Rights

Following the admission of the Consideration Shares, the issued ordinary share capital of the Company will consist of 1,150,519,886 ordinary shares of no par value in the Company ("Ordinary Shares"). There are no Ordinary Shares held in treasury and the total number of voting rights in the Company is therefore 1,150,519,886. This figure may be used by shareholders as the denominator or the calculations by

which they will determine whether they are required to notify their interest in, or a change to their interest in, the Company, under the FCA's Disclosure and Transparency Rules.

Market Abuse Regulation (MAR) Disclosure

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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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For more information visit **www.arcminerals.com**.

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