

4 July 2019

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

Large New Target Identified at Zamsort

Arc Minerals Limited ("Arc" or the "Company"), is pleased to report that a detailed review by its technical consultants, African Mining Consultants and Douglas Haynes Discovery Ltd. has fully endorsed Arc's exploration strategy as well as identified a large new target called West Lunga in the western part of its licences in Zambia.

Highlights

- 6km long West Lunga target identified
- West Lunga target demonstrates anomalous copper over 6km strike, with peak values of 463ppm Cu
- West Lunga target is located in the western part of the Zamsort & Zaco licences
- Targets the same horizon that hosts the world-class Kamao deposit

Nick von Schirnding, Executive Chairman of Arc stated:

"This is very encouraging news - especially having been identified by the discovery team of Kamao, one of the largest high-grade copper discoveries of recent times. This development means we are going to review the ranking of our 14 priority drill targets and it is likely that we will prioritise West Lunga as one of our highest priority targets."

West Lunga Target

Significant new target identified within the Zamsort & Zaco licences. Recent targeting work, completed by African Mining Consultants and Douglas Haynes Discovery Ltd, has identified the new 6km-long West Lunga Target, one of eight high priority areas (Table 1.) identified within the licences. The target (see figure 1. & 2.) is defined by anomalous copper over 6km of strike, with peak values of 463ppm Cu, and targets the Lower Nguba formation, notable for recent world-class discoveries (e.g. Kamao & Deziwa, in the DRC).

Figure 1. License area with the West Lunga target

<http://www.arcminerals.com/files/images/2019/Zamsort-50ppm-Cu-update-one-dot.jpg>

Recent work programmes commenced in 2018 including regional soil samples that were collected across the entire licence including previously unsampled areas. In addition, a regional fixed-wing airborne magnetics survey was flown over the licence area using 200m line spacing.

In the first half of 2019, a comprehensive independent review of the prospectivity of the Zamsort and Zaco licences was commissioned. This review, completed by African Mining Consultants and Douglas Haynes Discovery Ltd, was designed to identify, prioritise and refine exploration targets within the licences and defined eight target areas for redox-boundary copper mineralisation. Of these exploration targets, the West Lunga target is considered a priority target area.

Figure 2. West Lunga target area showing surface geochemistry and underlying magnetic feature

<http://www.arcminerals.com/files/images/2019/WestLunga-Geochem-Mag.jpg>

At the West Lunga target the inferred prospective bedrock is poorly exposed, with Phanerozoic (Kalahari) cover extensive. Aeromagnetic data indicates a fault-bound basin within the lower parts of the Nguba Group, with the inferred prospective unit being fault bound on its southeast and southwest margins. The southeast margin of this basin is distinctive and is copper anomalous over its full length. Arsenic, cobalt, and potassium and uranium (in radiometrics) show a positive correlation, or spatial association, with copper anomalism.

Table 1 - Regional targets

Note: Targets generated by airborne geophysics and soil geochemistry. Excludes the Kalaba Copper-Cobalt deposit. Geochemistry data is still pending and may affect the ranking of the targets.

Rank	Target	Geological Attributes	Geophysical Attributes	Geochemical Attributes
1	Cheyeza East	LR stratigraphy, oreshale,	Good decay contact and conductor	Very strong 2x3km Cu anomaly
2	West Lunga	Lower Nguba formation; Kamoia/Deziwa/Lonshi Style	Strong Magnetic Feature; +/- 6km long	Moderate Soil Geochemistry
3 & 4	Lumbeta	Wamikunbi Fm, schists on transfer faults	Strong conductivity and magnetic variance	Large Cu anomaly northeast of Kalaba.
5	Cheyeza West	Roan Stratigraphy and Wamikunbi schists	Very strong conductor, coincident with EMagnetic anomaly	High and large Cu geochem over, 3 x 3km area
6	Jatuma	In LR stratigraphy, oreshale on decollement surface and transfer faults	Magnetics related to contact or structure, resistivity and conductivity indicate good contact	8km long elevated Cu anomaly
7	Southern Fold Zone	In LR stratigraphy, oreshale on decollement surface with transfer faults	NW trending anti & synclines expose LR away from basin margin	Geochemistry results pending
8	Nyambwezu	LR qtzites-schists close to decollement surface and transfer faults	Intense magnetics. EM anomaly	1km ² intense Cu-Co anomaly
9	Musewema-Katondo	Oreshale on LR decollement surface	Magnetic association, Analytical signal defines the edges of near surface, good conductor	3km NW trending Cu anomaly, possibly linking in to the Lumbeta anomaly
10	Fwiji	LR stratigraphy maghem-qtzites, sheared graphitic schists on LR decollement surface	Significant conductivity	Strong Cu anomaly
11 & 12	Kawumba 1&2	Schists on transfer faults, RST geochem anomalies	Significant conductivity with good conductor extending down dip	Close to Mwona anomalous zone, high Co
13	Chididi	In Lower Roan Stratigraphy. Oreshale in LR decollement surface with associated transfer fault	Mid-channel conductivity	Small moderate Cu anomaly

The Central African Copperbelt

The Central African Copperbelt has been a focus of exploration and mining activity since the 19th century. There has been recent success in discovering copper deposits at stratigraphically higher positions adjacent to and outside of the typical Copperbelt (e.g. the Frontier Deposit, at the top of the Mwashya Group east of the Zambian Copperbelt, the Sentinel Deposit within the middle Mwashya Group and the world-class Kamoia Deposit at the base of the Nguba Group). Given the proximity of the Zamsort licence to the Sentinel Deposit the potential for mineralisation within atypical stratigraphic settings, or concealed under Kalahari cover, is considered high.

About African Mining Consultants ("AMC")

AMC is a leading independent geological and mining consultancy firm with experience across Africa. AMC's team has significant experience in the Copperbelt region and has been instrumental in a number of large-scale copper discoveries, including Kamoia. For more information on AMC, please visit <https://www.amc-africa.com/>

Douglas Haynes Discovery Ltd is an independent consultant who has worked with AMC for 15 years and also specialises in the Central African Copperbelt. Douglas has initiated various successful mineral resource discovery projects, either directly or through collaborative effort, including seven large base metal or gold deposits: Olympic Dam Cu-Au-U-REE, Wirrda Well Cu-Au-U-REE (South Australia), Nifty Cu (Western Australia), Yandan Au (Queensland), Ernest Henry Cu-Au (Queensland), Kamoia Cu (Katanga Province, Democratic Republic of the Congo, working collaboratively with AMC, with the deposit subsequently delineated by Ivanhoe Mines).

Qualified Persons

The information in this press release is based on information provided by Zamsort Limited on behalf of Arc Minerals. Mr Vassilios Carellas (BSc (Hons), MAusIMM) is the Chief Operating Officer for Arc Minerals and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined under the JORC Code (2012). Mr Carellas consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

****ENDS****

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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.

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.

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 71.25% 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 and cobalt licence in the Zambia Copperbelt, together with a convertible loan to Zamsort which converts into approximately a five percent additional equity interest in Zamsort.
- 100% ownership of the Kremnica Mining Licence Area in Slovakia which host the 1.3Moz AuEq Au PFS stage Šturec Gold Project.

Glossary of Technical Terms

"anomaly or anomalous"	something in mineral exploration that geologists interpret as deviating from what is standard, normal, or expected.
"assay"	The laboratory test conducted to determine the proportion of a mineral within a rock or other material. For copper, usually reported as percentage which is equivalent to percentage of the mineral (i.e. copper) per tonne of rock.
"azimuth"	the "compass direction" refers to a geographic bearing or azimuth as measured by a magnetic compass, in true or magnetic north.
"bornite"	Bornite, also known as peacock ore, is a copper sulphide mineral with the formula Cu_5FeS_4 .
"breccia"	Breccia is a rock classification, comprises millimetre to metre-scale rock fragments cemented together in a matrix, there are many sub-classifications of breccias.
"chalcocite"	Chalcocite is a copper sulphide mineral with the formula Cu_2S and is an important copper ore mineral. It is opaque and dark-gray to black with a metallic luster.
"chalcopyrite"	Chalcopyrite is a copper sulphide mineral with formula $CuFeS_2$. It has a brassy to golden yellow colour.
"chargeability"	Chargeability is a physical property related to conductivity. Chargeability is used to characterise the formation and strength of the induced polarisation within a rock, under the influence of an electric field, suggesting sulphide mineralisation at depth.
"covellite"	Covellite is a copper sulphide mineral with the formula CuS . This indigo blue mineral is ubiquitous in some copper ores.
"diamond drilling"	A drilling method in which penetration is achieved through abrasive cutting by rotation of a diamond encrusted drill bit. This drilling method enables collection of tubes of intact rock (core) and when successful gives the best possible quality samples for description, sampling and analysis of an ore body or mineralised structure.
"dip"	A line directed down the steepest axis of a planar structure including a planar ore body or zone of mineralisation. The dip has a measurable direction and inclination from horizontal.
"grab sample"	are samples of rock material collected from a small area, often just a few pieces or even a single piece of rock "grabbed" from a face, dump or outcrop or roughly 2-5kg. These are common types of rock samples collected when conducting mineral exploration. The sample usually consists of material that is taken to be representative of a specific type of rock or mineralisation.
"grade"	The proportion of a mineral within a rock or other material. For copper mineralisation this is usually reported as % of copper per tonne of rock.
"g/t"	grams per tonne; equivalent to parts per million ('ppm')
"hematite"	Hematite is the mineral form of iron(III) oxide (Fe_2O_3), one of several iron oxides. Magnetite alteration is also typically associated with porphyry copper systems, at or close to the central core.
"Indicated Resource"	An "Indicated Mineral Resource" is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
"Inferred Resource"	An "Inferred Mineral Resource" is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
"Induced Geophysics"	Polarisation Induced polarisation (IP) is a geophysical survey used to identify the electrical chargeability of subsurface materials, such as sulphides. The survey involves an electric current that is transmitted into the subsurface through two electrodes, and

	voltage is monitored through two other electrodes.
"intercept"	Refers to a sample or sequence of samples taken across the entire width or an ore body or mineralised zone. The intercept is described by the entire thickness and the average grade of mineralisation.
"JORC Code"	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves.
"K"	The element potassium, abundance on surface can be inferred from radiometric surveys
"Magnetics"	Rocks are made up of different minerals and the magnetic properties of a rock depends on the amount and type of iron rich minerals it contains. Earth's magnetic field interacts with these iron rich minerals to generate variations in the magnetic field. Measuring and mapping these variations allows remotely mapping of the distribution and patterns of magnetic rocks and, as a result, map the subsurface geology
"magnetite"	Magnetite is main iron ore mineral, with chemical formula Fe_3O_4 . Magnetite is ferromagnetic, and it is attracted to a magnet and can be magnetized to become a permanent magnet itself.
"massive"	In a geological sense, refers to a zone of mineralisation that is dominated by sulphide minerals. The sulphide-mineral-rich material can occur in centimetre-scale, metre-scale or in tens of metres wide veins, lenses or sheet-like bodies containing sphalerite, galena, and / or chalcopyrite etc.
"Measured Resource"	A "Measured Mineral Resource" is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
"Mineral Resource"	A "Mineral Resource" is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilised organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
"mineralisation"	In geology, mineralisation is the deposition of economically important metals (copper, gold, lead, zin etc) that in some cases can be in sufficient quantity to form mineral ore bodies.
"open pit mining"	A method of extracting minerals from the earth by excavating downwards from the surface such that the ore is extracted in the open air (as opposed to underground mining).
"outcrop"	A section of a rock formation or mineral vein that appears at the surface of the earth. Geologists take direct observations and samples from outcrops, used in geologic analysis and creating geologic maps. In situ (in place) measurements are critical for proper analysis of the geology and mineralisation of the area under investigation.
"polymict"	A geology term, often applied to breccias or conglomerates, which identifies the composition as consisting of fragments of several different rock types.
"Preliminary Economic Assessment"	NI 43-101 defines a PEA as "a study, other than a pre-feasibility study or feasibility study, which includes an economic analysis of the potential viability of mineral resources".
"Pyrrhotite"	Pyrrhotite is an iron sulfide mineral with the formula $Fe(1-x)S$ ($x = 0$ to 0.2). It is a nonstoichiometric variant of FeS, the mineral known as troilite . Pyrrhotite is also called magnetic pyrite
"Radiometrics"	The radiometric, or gamma-ray spectrometric method is a geophysical process used to estimate concentrations of the radioelements potassium, uranium and thorium by measuring the gamma-rays which the radioactive isotopes of these elements emit during radioactive decay
"sediments"	Sedimentary rocks formed by the accumulation of sediments. There are three types, Clastic, Chemical and Organic sedimentary rocks.

"sphalerite"	Sphalerite is a zinc sulphide in crystalline form but almost always contains variable iron, with formula (Zn,Fe)S. It can have a yellowish to honey brown or black colour.
"supergene"	Supergene ore processes occur near surface, and form deposits of secondary minerals, such as malachite, azurite, chalcocite, covellite, digenite, etc.
"surface rock chip samples"	Rock chip samples approximately 2kg in size that are typically collected from surface outcrops exposed along rivers and mountain ridgelines.
"Th"	The element thorium, abundance on surface can be inferred from radiometric surveys
"U"	The element uranium, abundance on surface can be inferred from radiometric surveys
"veins"	A vein is a sheet-like or anastomosing fracture that has been infilled with mineral ore (chalcopyrite, covellite etc) or mineral gangue (quartz, calcite etc) material, within a rock. Veins form when minerals carried by an aqueous solution within the rock mass are deposited through precipitation and infill or coat the fracture faces.
"volcanics"	Volcanic rock such as andesite or basalt that is formed from magma erupted from a volcano, or hot clastic material that erupts from a volcano and is deposited as volcaniclastic or pyroclastics.

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