



# Large Scale Copper Exploration in Zambia



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# Arc Minerals Overview

- An exciting new copper play in Zambia
- Multiple tier-one copper assets (Zamsort/Zaco)
- Comprehensive airborne geophysical programme and soil sampling programme completed
- 14 large and well-defined targets identified
- Major drilling programme underway
- Achieved some of the best intersections in the Zambian Copperbelt including: 18m grading 2.35% Cu including 7.6m grading 4.15% Cu and 45m grading 1.7% Cu and: 39m at 1.47% Cu
- Ongoing discussions with major copper groups
- Experienced Board and management team with a proven track record of successful development of mineral projects

## **UK-listed**

Exploration and Development Company

## **High quality**

Copper projects in Zambia

## **Management Team**

Highly Experienced Board with track record of successful mineral developments

# Corporate Overview

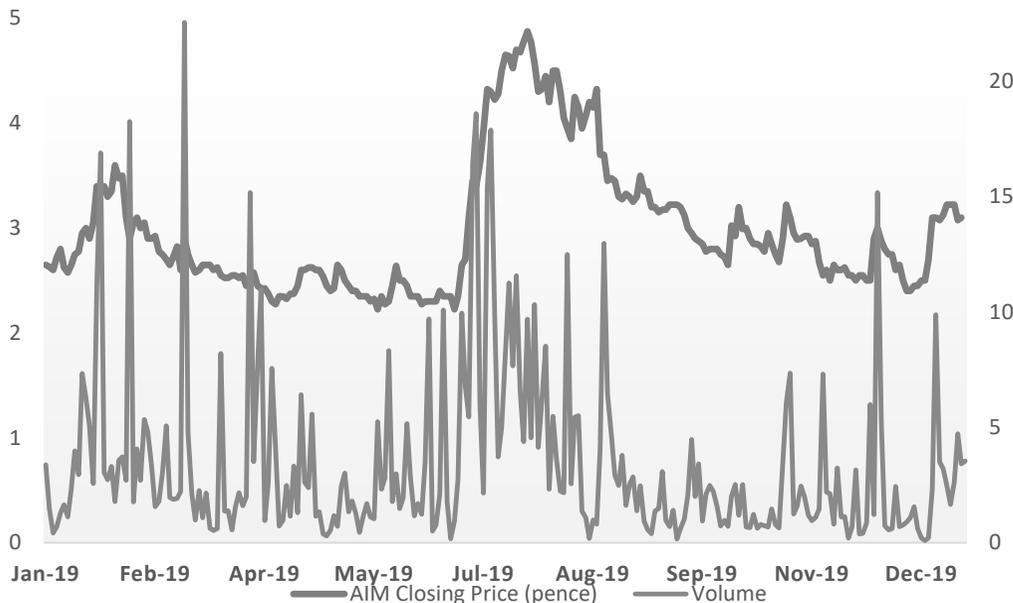


- Quality portfolio of assets
- Proven management team with significant operating experience in Africa
- Supportive shareholder base and good liquidity, average daily volume of 2.0m shares during Q4, 2019

## Capital Structure (AIM: ARCM)

As at 27 January 2020	In USD
Share Price	3.93c
Shares in issue	737.9
<b>Market Capitalisation</b>	<b>29.0m</b>

## Share Price and liquidity since January 2019



MILLIONS

## Key Shareholders

<b>Board and Management</b>	16.03%
<b>Karl-Erik von Bahr</b>	7.11%

# Highly Experienced Board

## *Significant Skin in the Game*



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### **Nick von Schirnding** *Executive Chairman*

Nick von Schirnding has over 25 years' experience in the mining sector across a number of geographies. Nick was CEO of Asia Resource Minerals plc, a FTSE listed mining company. Prior to this Nick was a senior executive with Anglo American plc and De Beers. Nick is also chairman of Fodere, a private minerals processing business with a plant at Highveld steel and a non-executive director of AIM listed Jangada Mines. Mr von Schirnding is also an advisor to Apollo Management, a leading US private equity group.

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### **Rémy Welschinger** *Finance Director*

Rémy is the founder of Limehouse Capital, an investment holding company specialising in natural resources projects. Up until 2018, he was Head of Commodities Sales in Europe for Deutsche Bank. Prior to that, Mr. Welschinger was an Executive Director in the Fixed Income and Commodities division of Morgan Stanley in London.

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### **Don Bailey** *Non-Executive Director*

Don Bailey was a founder, CEO and Chairman of LionOre Mining which developed from a startup into a mid-tier mining company and was acquired by Norilsk Nickel in June 2007. Earlier in his careers Don was head of mining operations for Rio Tinto in Africa, South America and Europe and was responsible for the development of numerous major international projects including the Escondida mine in Chile, the Moro d'Oro mine in Brazil and the Neves Corvo mine in Portugal.

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### **Mumena Mushingi** *Non-Executive Director*

Mr Mumena Mushingi is a Zambian based entrepreneur with a long-standing history in the mining and minerals industry. Mr Mushingi founded Zamsort Limited in 2005 and has been instrumental in developing the Kalaba prospect.

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### **Brian McMaster** *Non-Executive Director*

Brian McMaster has almost 20 years' experience in the area of corporate reconstruction, turnaround, performance improvement and 20 years in the mining and exploration industry. His recent experience includes founding Harvest Minerals and Jangada Mines, AIM listed companies.

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### **Jonathan De Thierry** *Non-Executive Director*

Jonathan de Thierry has 25 years' experience in mining and investment banking in Africa & Europe. He is a founder of Casa Mining and has raised significant capital for exploration and development of major DRC mineral projects.

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# Zamsort – Zaco

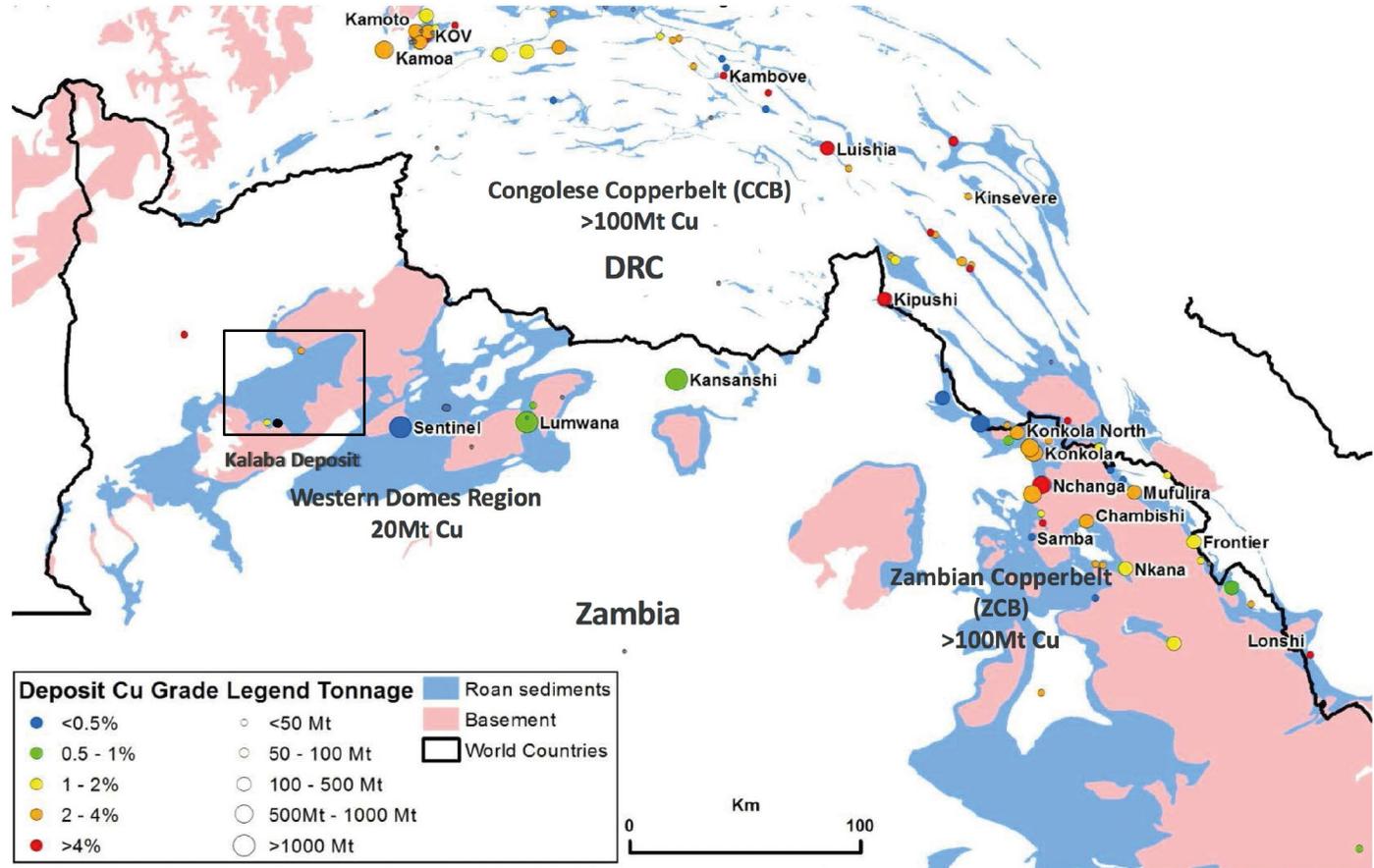
## *A Highly Prospective Copper Project*



- 66% interest in Zamsort and 52.5% interest in Zaco
- Zamsort and Zaco licenses cover c.872km<sup>2</sup> (Zamsort 407km<sup>2</sup> and Zaco 465km<sup>2</sup>)
- Located in a highly prospective region of Zambia (in close proximity to First Quantum's Sentinel and Kansanshi and Barrick's Lumwana mines)
- Zamsort and Zaco licenses were explored by Anglo American and hosts 9 of Anglo's top 30 Zambian copper exploration targets
- Airborne geophysical and comprehensive soil sampling programme completed
- 14 large and well-defined targets identified
- Major drilling programme underway



# Prolific Mineral Region



*Western Domes Region – potential for large discoveries in proximity to basement blocks*

# Operating in the Right Postcode



- During the last 15 years, three new major mines have been constructed to exploit mineral Resources in the western part of the Zambian Copper Belt
- This region now accounts for more than 80% of Zambia’s copper production

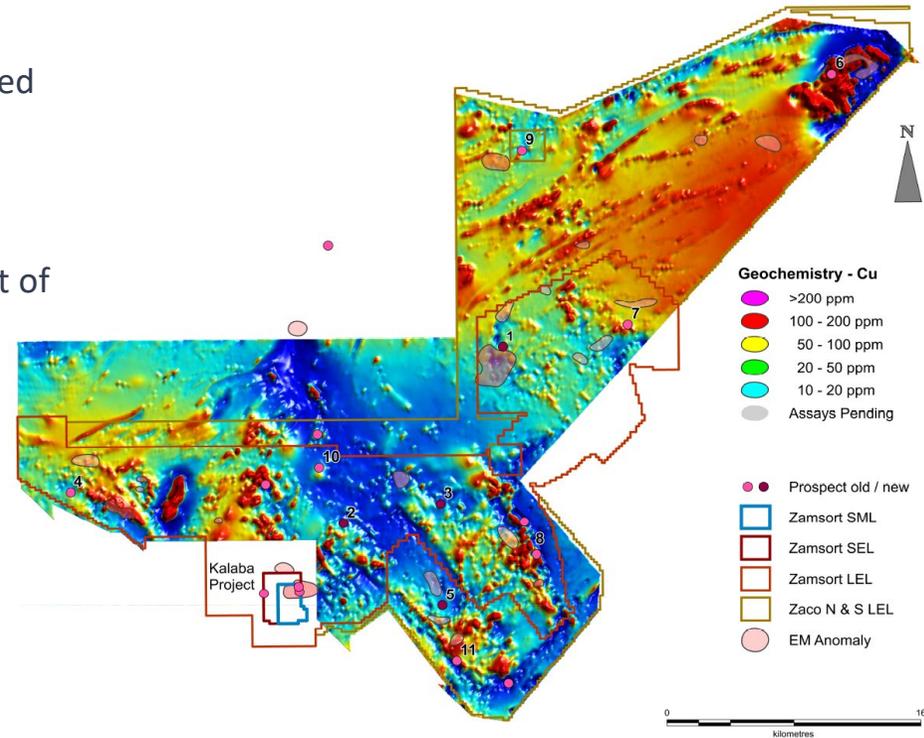
## Major Mines in the Domes Region – Comparable Geology

	Sentinel (2014)	Lumwana (2009)	Kansanshi (2005)
<b>Owner</b>	First Quantum Minerals	Barrick Gold	First Quantum Minerals
<b>Resource</b>	1,011Mt @ 0.51% Cu	678Mt @ 0.49% Cu	1,375Mt @ 0.64%Cu
<b>Reserve</b>	811Mt @ 0.56% Cu	374Mt @ 0.55%Cu	541Mt @ 0.62% Cu
<b>Production (2018)</b>	223,656 tonnes Cu	101,605 tonnes Cu	251,255 tonnes Cu and 130Koz Au
<b>Distance from license</b>	40km	100km	200km

Source: Wood Mackenzie and Company Websites

# 14 Major Anomalies Targeted

- Comprehensive airborne geophysical programme completed (5,218 Line Kilometers)
- Large soil sampling programme (51,000 samples) completed
- 14 well-defined targets identified
- Drilling at Cheyeza East underway (64 holes completed)
- Initial drill plan of 7,200m extended to 10,000m as a result of drilling success



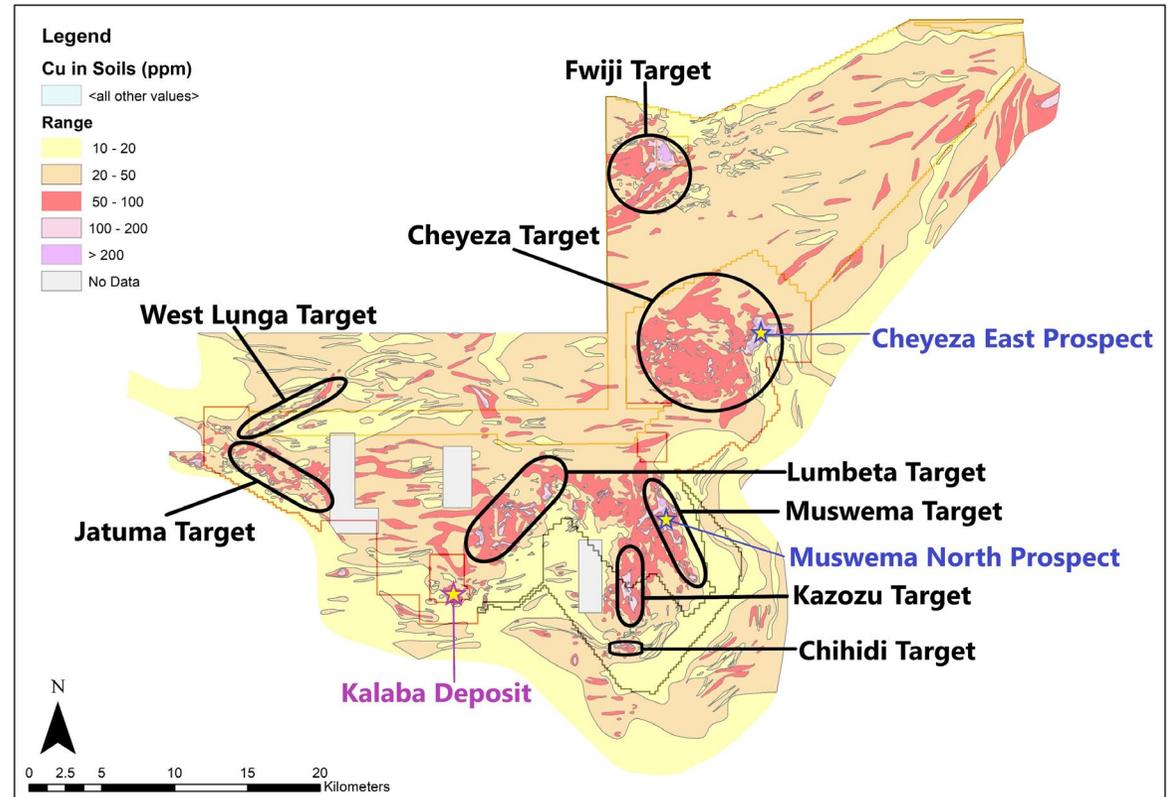
Rank		Target
1	✓	Cheyeza East
2		West Lunga
3	✓	Muswema
4		Lumbeta
5		Cheyeza West
6		Jatuma
7		Southern Fold Zone

Rank		Target
8		Nyambwezu
9		Muswena-Katondo
10	✓	Fwiji
11 & 12		Kawunba 1&2
13		Chididi
14	✓	Kalaba

✓ Intersected mineralisation

# Drilling targets 2019/20

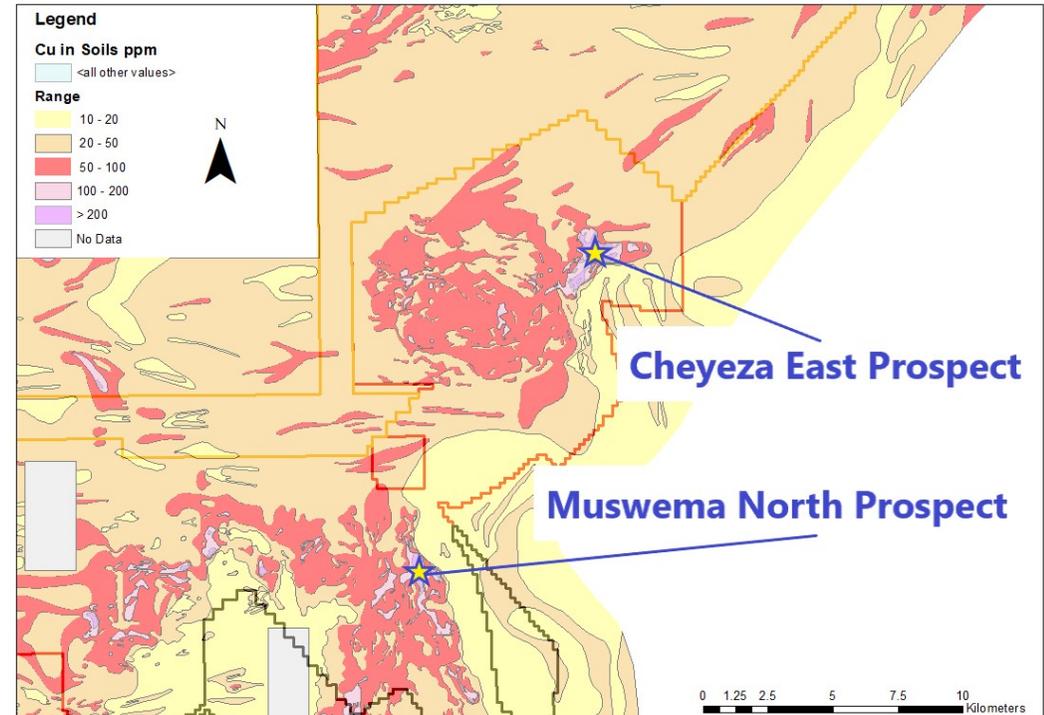
- Major drilling programme underway, phase 1 (8,314m) completed.
- Target areas are:
  - Cheyeza (6,000m) expanded to 10,000m
  - Fwiji (2,000m)
  - Muswema (3,000m)
  - Other targets (2,000m)



# Confirmed Discoveries

Discoveries confirmed at two out of the five target areas tested in 2019

- Cheyeza East Prospect
  - 71 Diamond Holes – 6,219.6m
  - 5,611 infill soil samples collected
- Muswema North Prospect
  - 5 Diamond Holes – 750.4m
  - 3,463 infill soil samples collected



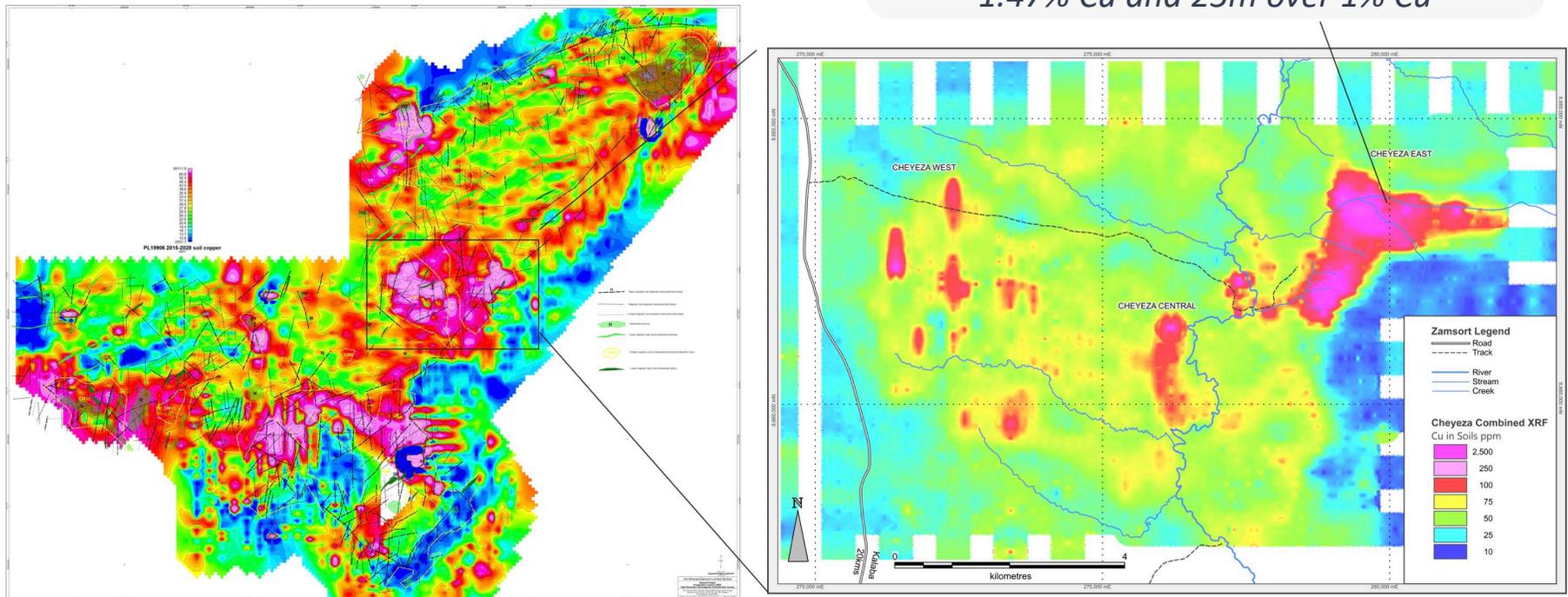
# Zamsort and Zaco License Area

## *Infill Regional soil XRF results*



*Regional copper in Soils XRF results and geophysical interpretation*

*Cheyeza East is shaping up to be a large system – intersections include 39m at 1.47% Cu and 25m over 1% Cu*



*Cheyeza East – large 3km by 3km copper anomaly*

# Cheyeza East

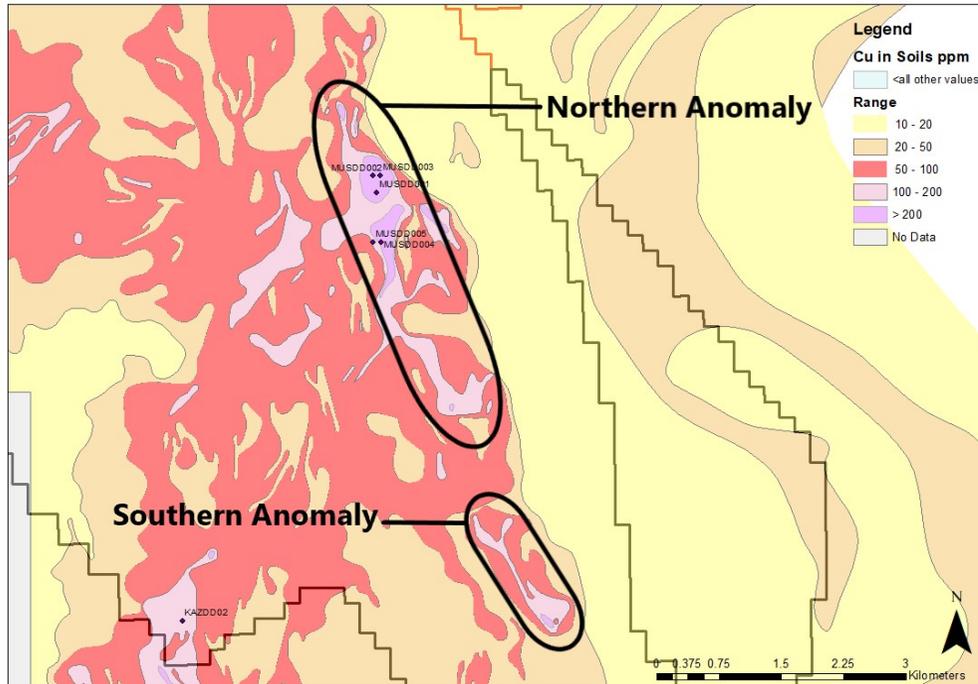
- Drilling to date has intersected pervasive copper mineralisation
- 71 holes completed with approx. 75% intersecting wide mineralised intervals
- Exploration programme has already defined a strike length to over 650m long and 300m wide open at depth

Hole ID	From (m)	To (m)	Drill Width (m)	Cu (%)
CHDDE002	2.00	27.80	25.80	1.05
Incl.	18.50	23.70	5.20	1.46
and	27.24	27.80	0.56	13.34*
	43.50	52.00	8.50	0.41
CHDDE004	30.60	48.60	18.00	2.35
incl.	39.00	46.60	7.60	4.15
and	53.60	80.00	26.40	0.32
CHDDE005	17.6	67	49.4	0.67
incl.	26.2	42	15.8	1.49
Incl.	27.4	39	11.6	1.76
CHDDE057	29.0	50.5	21.5	1.78
CHDDE059	15.0	39.0	24.0	0.76
CHDDE060	13.0	52.00	39.00	1.47
Incl.	41.0	51.00	10	2.25



# Muswema Target Area

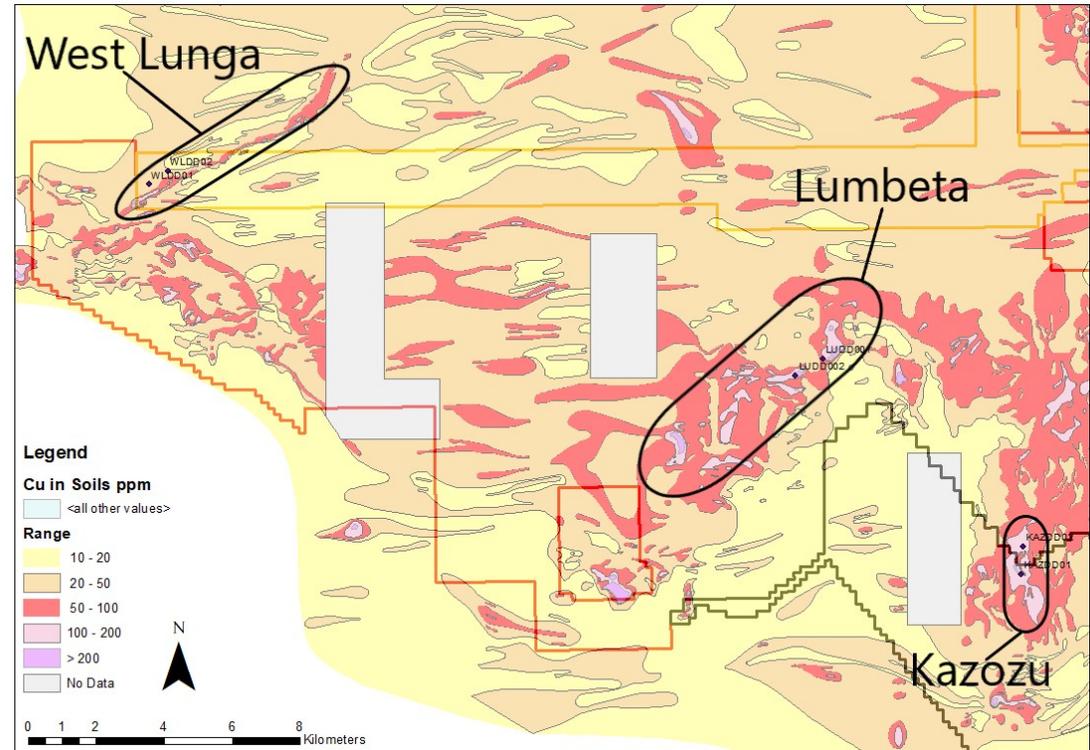
## *New Discovery*



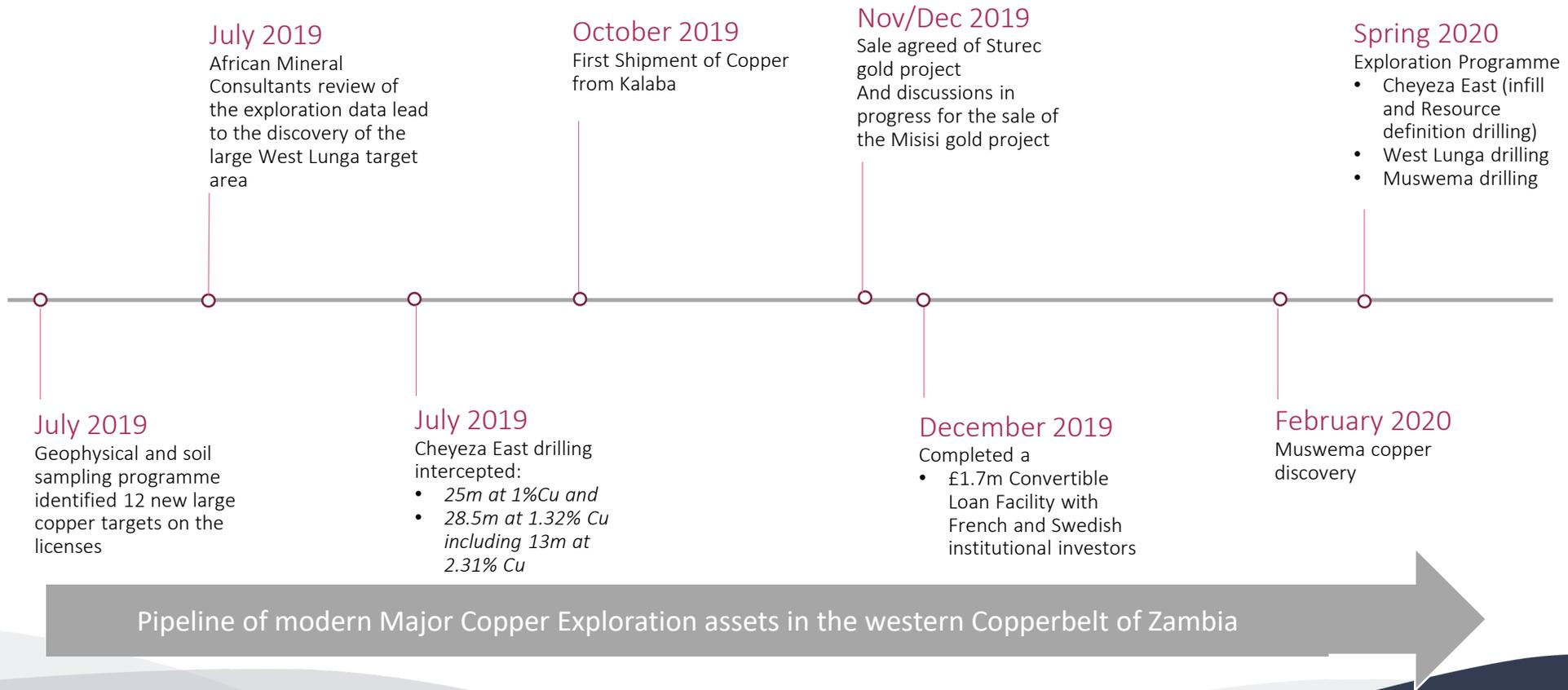
- New Discovery made in February 2020
- Drill results include: Northern (~4km) and Southern (~1km) anomaly combined 5km long
- Five holes completed in part of the northern anomaly with the fourth hole confirming the discovery
- Geologically very similar to that of Kalaba
- Fifth and final hole intersected massive sulphide mineralisation at depth
- Follow up exploration in 2020 to test extents and in particular for zonation of the sulphide mineralisation

# Other Targets

- Two diamond drill holes drilled at each of the Lumbeta, West Lunga & Kazozu targets in 2019
- At both Kazozu and West Lunga, the drilled holes did not reach the Upper Roan carbonate unit, which generally appears to host the mineralisation on the western side of the Kabompo Dome
- At Lumbeta, anomalous copper grades observed in the oxide zone
- Plan to drill deeper holes in 2020 at Kazozu and West Lunga and follow up on anomalous grades intersected at Lumbeta



# 2019/20 Work Programmes



# Delivering on Our Objectives



## Sale of Non-Core assets:

- ✓ Šturec (Dec 2019) for a gross consideration of up to \$8m\*
- ✓ Misisi – discussions ongoing

## Focus on key copper assets in the Zambian Copperbelt

- ✓ 14 large copper targets identified
- ✓ Phase 1 drilling programme indicated large shallow mineralisation – Drill programme at Cheyeza East expanded

## Well funded

\* The first of A\$450,000 on entering into binding term sheet), followed by a second payment of A\$300,000 within six months of the completion date, bringing the total cash proceeds payable to Arc of A\$750,000 (c. US\$500,000). The Resource Upgrade Royalty - If, within 2 years of the disposal, the Šturec JORC Indicated and Measured Resource exceeds 1.5 million oz Au at a grade greater than 2.5g/t eq, Arc will receive a further A\$2 royalty per additional oz Au. This royalty is capped at 7 million oz Au

# Investment Highlights



**Exciting large  
copper and gold  
play**

**2 new  
significant  
target areas  
identified – 14  
targets in total**

**Drilling  
commenced and  
results indicate  
significant  
mineralised area  
at Cheyeza East**

**Proven  
management  
team with  
significant "skin  
in the game"**

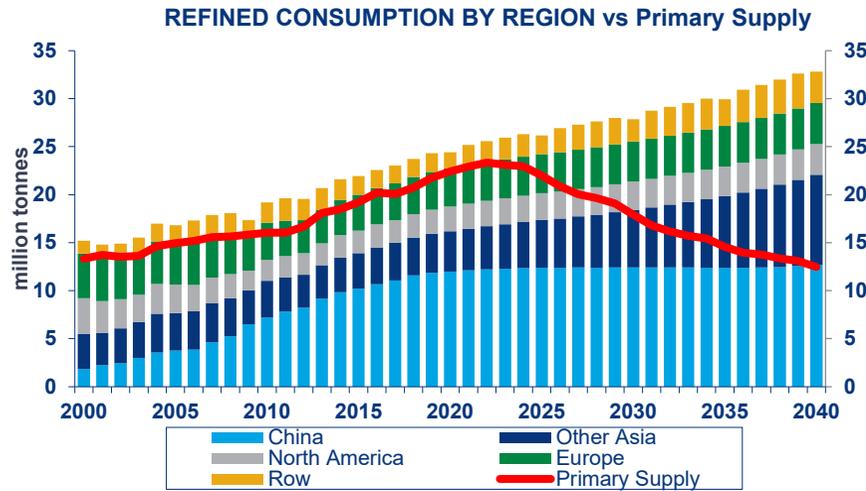
# Appendix



# Why Copper? Solid Fundamentals

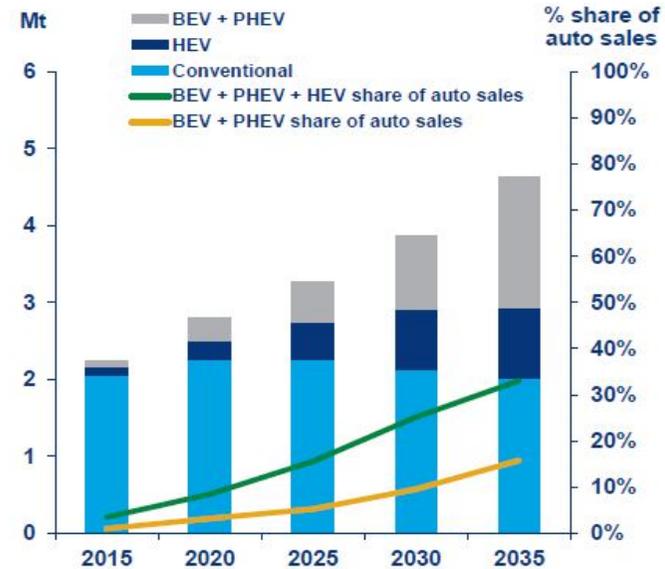


## Solid Fundamentals



- Multiple industrial uses – low substitution
- World population and power consumption increasing
- All power generation and transmission requires copper
- Renewable energy requires much greater copper intensity

## Demand for EVs Will Impact the Copper Market



- Copper consumption from EVs\* will increase from 286kt in 2018 to 2,611ky by 2035
- Copper consumption from EV's is to surpass that from conventional vehicles by 2033

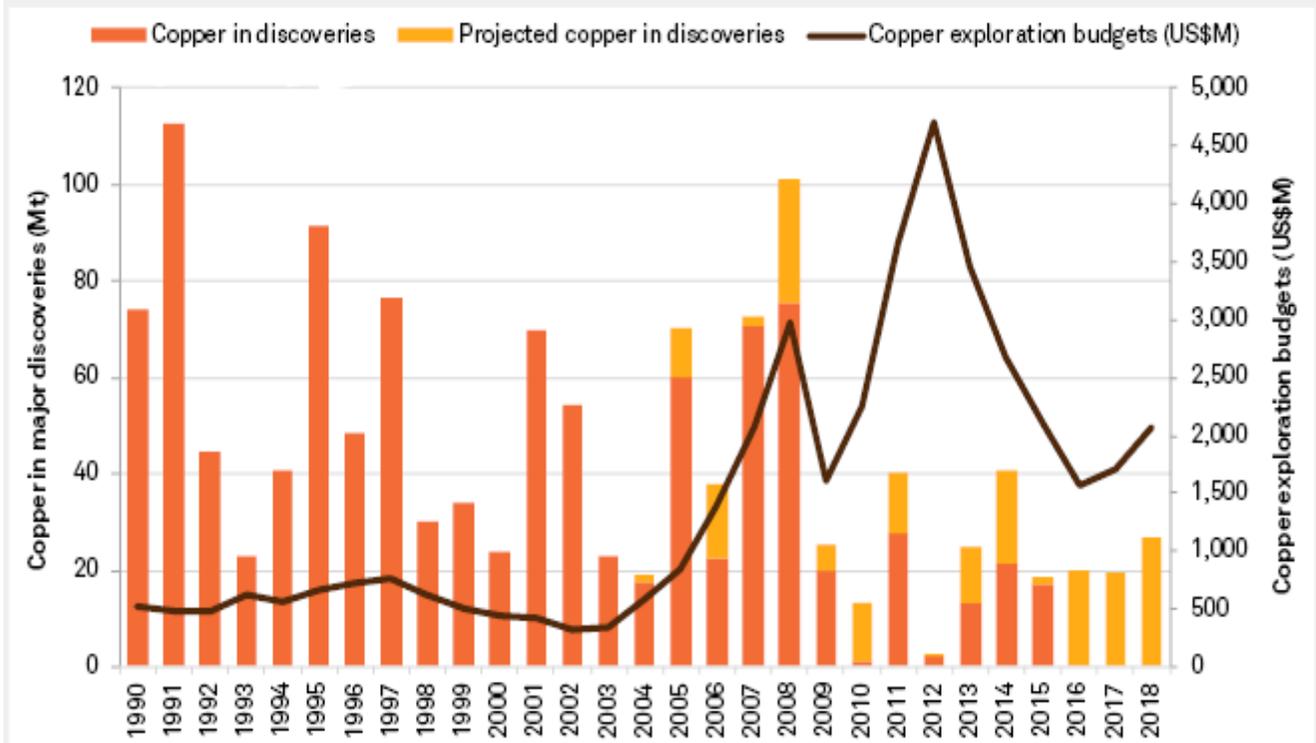
*\*Source: Wood Mackenzie*

# Copper discovery rates remain at a 10-year lows



- The fall in the copper price have resulted significant decline in exploration budgets
- Major discoveries are generally made by junior mining companies who are then acquired by the majors

Copper in major discoveries by year, 1990-2018



Data as of April 23, 2019.  
Source: S&P Global Market Intelligence

\*Source: S&P Global Market Intelligence