



Large Scale Copper Exploration in Zambia



www.arcminerals.com

JANUARY 2021

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Arc Minerals Overview



- Tier-one copper asset in Zambia
- Comprehensive airborne geophysical programme and soil sampling programme completed
- 14 large and well-defined targets identified
- Achieved some of the best intersections in the Zambian Copperbelt including: 18m grading 2.35% Cu and 39m grading 1.47% Cu
- Signed Exclusivity Agreement with Anglo American
- Experienced Board and management team with a proven track record of successful development of mineral projects

Capital Structure (AIM: ARCM)

| | |
|------------------------------|-------------------------|
| As at 18 January 2021 | In GBP |
| Share Price | 6.70p |
| Shares in issue | 1,044m |
| Market Capitalisation | £70.0m/US\$95.0m |

Key Shareholders

| | |
|---------------------|------|
| Karl-Erik von Bahr | 7.5% |
| Läramas Riksförbund | 5.9% |
| Hargreave Hale Ltd | 5.5% |

Highly Experienced Board

Significant Skin in the Game



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 and Edenville Energy. Mr von Schirnding is also an advisor to Apollo Management, a leading US private equity group.

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. Rémy is also a Non-Executive Director of ASX listed Infinity Lithium.

Caleb Mulenga | *Non-Executive Director*

Mr Caleb Mulenga previously spent 8 years at the Development Bank of Zambia, subsequently moving into the private sector and establishing Superior Milling Limited, of which he is currently the Executive Chairman. He currently serves as the Chairman of Access Bank Zambia. Mr Mulenga also holds a bachelor's degree in Business and Economics from the University of Zambia and an MBA from Webster University.

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.

Delivering on Our Objectives



Completed Non-Core asset sales :

- ✓ Šturec – sold for a gross consideration of up to \$8m (Dec 2019)
- ✓ Casa – sold for a consideration up to \$50m (Mar 2020)

Substantial drilling programme completed in Zambia

- ✓ Multiple Tier 1 targets identified
- ✓ Over 17,000m drilled to date (\$3.5m)
- ✓ 2 New copper discoveries
- ✓ High-grade oxide copper zone identified for near-term production
- ✓ Concept study completed

Deal with a Major Mining Group

- ✓ Signed Exclusivity Agreement with Anglo American

Large scale corporate cash savings programme completed

Zamsort – Zaco

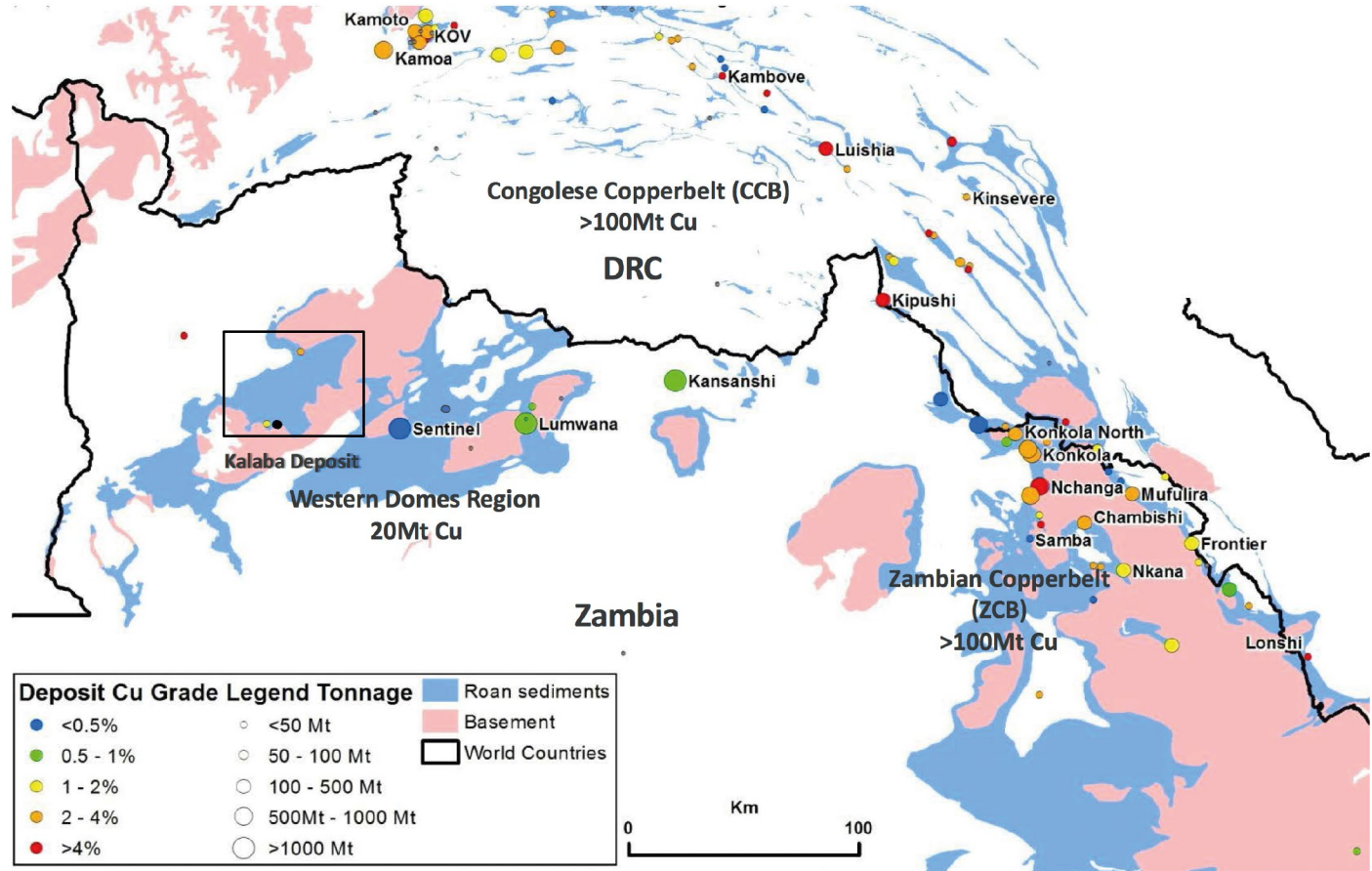
A Highly Prospective Copper Project



- 66% interest in Zamsort and 72.5% interest in Zaco
- Zamsort and Zaco licenses cover c.872km² (Zamsort 407km² and Zaco 465km²)
- 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 (54,000 soil samples)
- Over 17,000 meters drilled to date



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

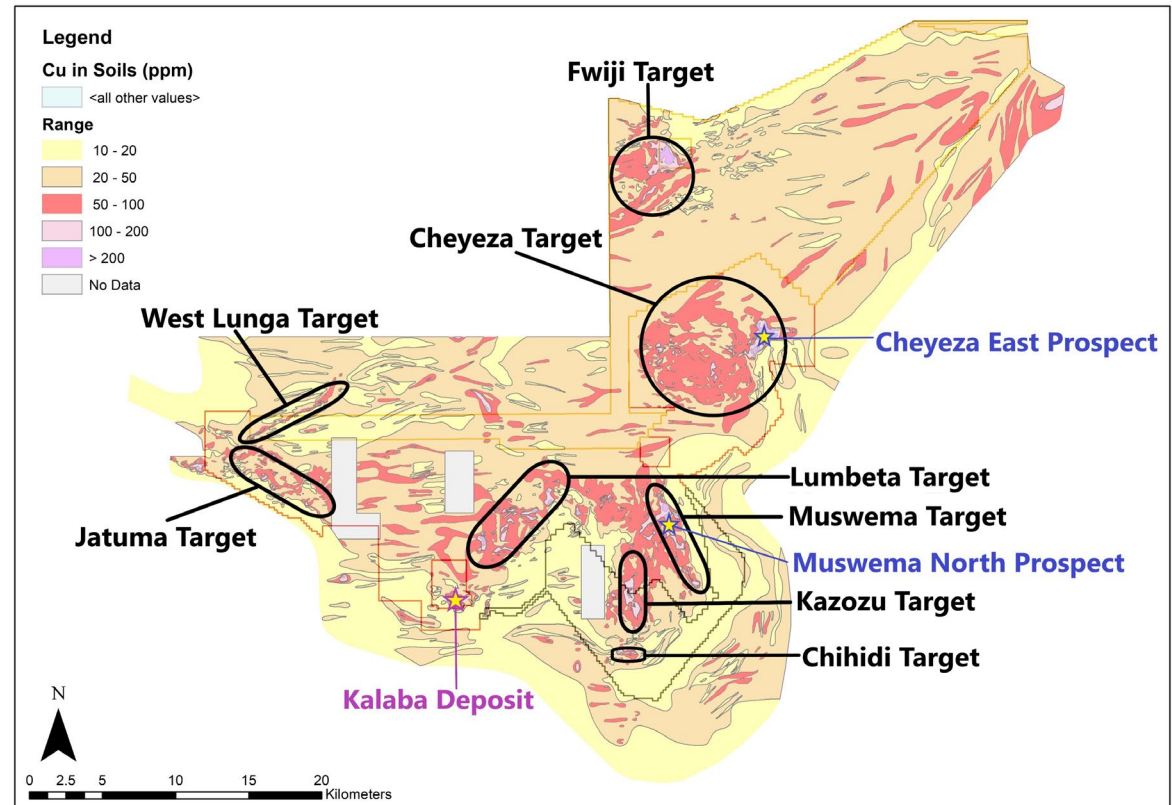
| | Sentinel (2014) | Lumwana (2009) | Kansanshi (2005) |
|------------------------------|-------------------------------|---------------------|---------------------------------|
| Owner | First Quantum Minerals (100%) | Barrick Gold (100%) | First Quantum Minerals (80%) |
| Resource | 923.3Mt @ 0.53% Cu | 678Mt @ 0.48% Cu | 662Mt @ 0.59%Cu |
| Reserve | 869.7Mt @ 0.49% Cu | 374.6Mt @ 0.55%Cu | 746Mt @ 0.69% Cu |
| Production (2019) | 220,006 tonnes Cu | 107,985 tonnes Cu | 232,243 tonnes Cu and 145Koz Au |
| Distance from license | 40km | 100km | 200km |

Source: Wood Mackenzie and Company Websites

Exciting Exploration Programme



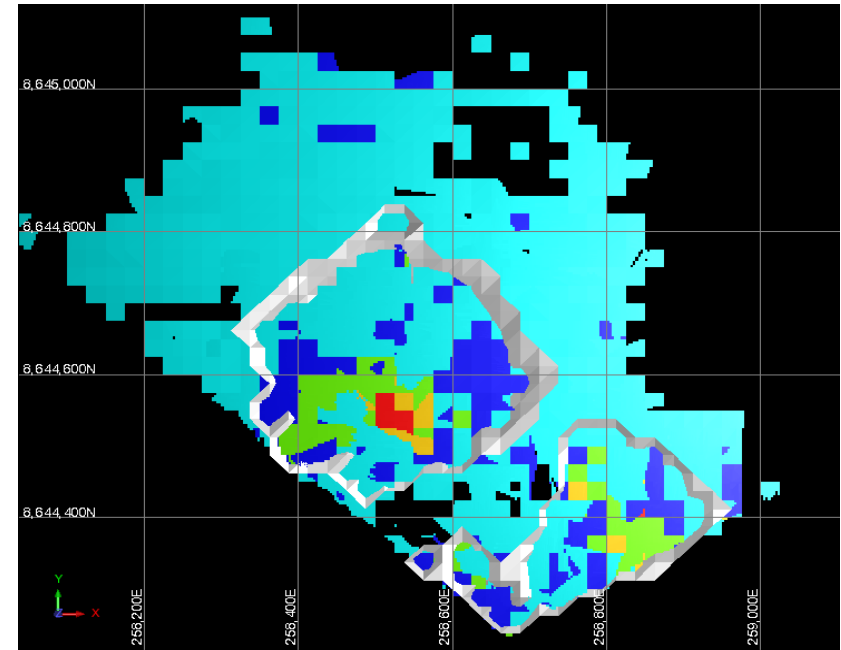
- Discoveries made at Cheyeza East, Muswema and Fwiji
- Signed exclusivity with Anglo American
 - 2,500 soil samples assayed using ALS ME-MS61L Super Trace Lowest Detection Limits 4-acid digest.
 - Initial results confirm Muswema as a high priority target
 - Further Fwiji, Cheyeza and Lumbeta confirmed as additional targets of major interest



Cheyeza East Concept Study

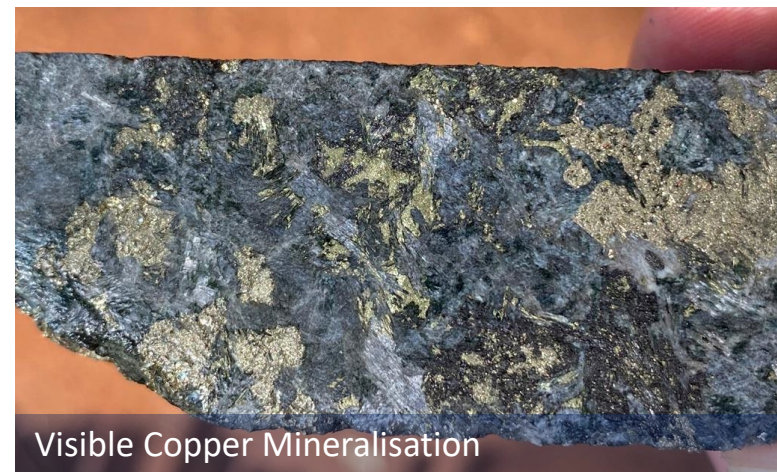


- Concept study on Cheyeza East oxides and Kalaba sulphides demonstrates a technically viable and economically robust project
- Concept study used the following parameter:
 - Both projects deliver low strip ratios of less than 1:1
 - Study modelled on a 3,000 t/d processing plant for both projects at a \$6,500/t copper price
 - Modest Capital requirements with quick payback
 - Potential for asset-backed loan against the plant
 - Independent consultants used to generate the grade-tonnage models, metallurgical testwork and processing flowsheet/assumptions and run the Whittle optimisation
- Project will progress through to Scoping Study level



Drilling 2020/21

- Geochemical characterisation and targeting exercise completed on the 2,500-soil sample dataset selected by Anglo American has re-ranked targets on the Muswema target
- Early drill results at Muswema indicate the potential for a large mineralized system
- Holes drilled 400m apart have intersected sulphide copper and cobalt mineralisation confirming that the Muswema basin is mineralized
- At Fwiji, further assay results from the holes drilled show further copper intercepts from the wide spaced drill programme, providing support for a mineralised system in this part of the license area.



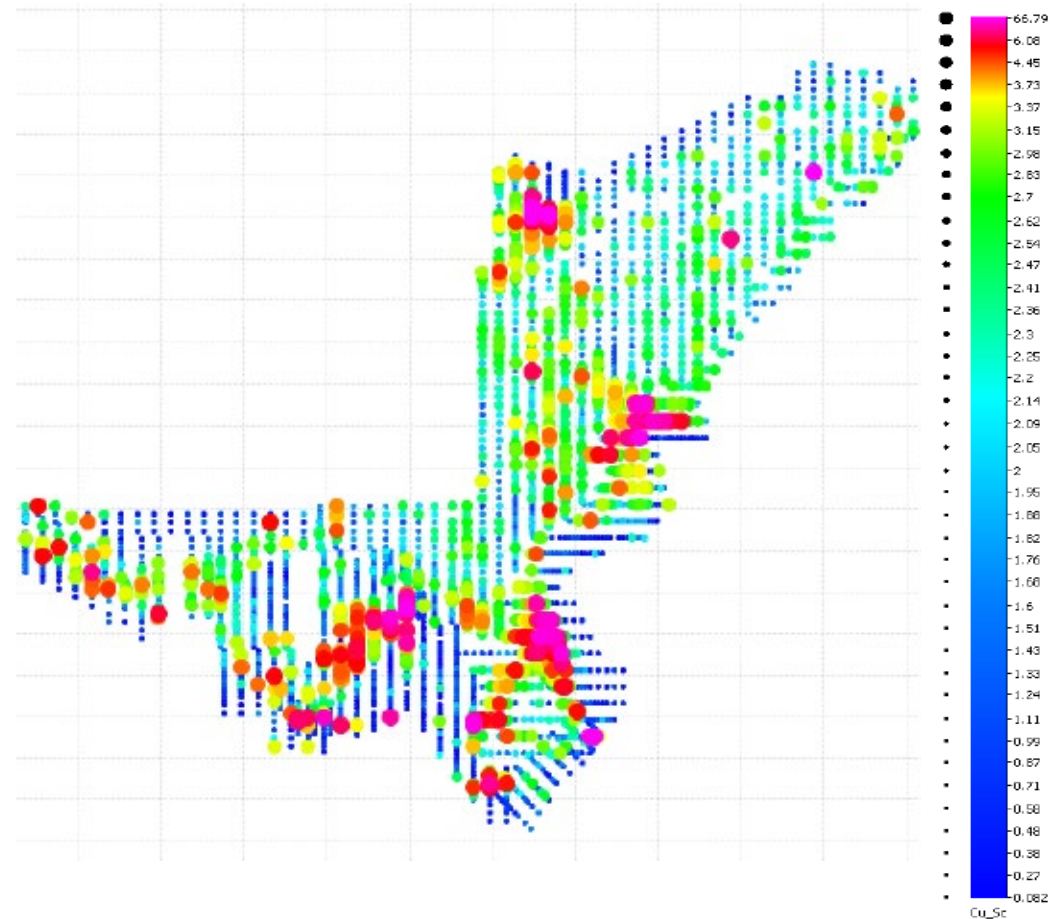
Anglo American

Multi-Element Geochemical Characterization and Targeting



arc minerals

- Immobile element distributions used to characterise lithological and metal trends within the survey area
- A fully integrated targeting exercise, considering additional datasets of geophysics, radiometrics, drilling and mapping data etc currently underway to zone in on targets



Cu:Sc using the ALS ME-MS61L Super Trace Lowest Detection Limits 4-acid digest

Significant 2021 Work Programme



Actively Exploring for Tier 1 Copper Assets in the Western Copperbelt of Zambia

Arc Minerals – Exciting Investment Proposition



- Multiple Tier-1 copper assets in Zambia
- Achieved some of the best intersections in the Zambian Copperbelt including: 18m grading 2.35% Cu and 39m grading 1.47% Cu
- Planned near-term copper production
- Signed Exclusivity Agreement with Anglo American
- Experienced Board and management team with a proven track record of successful development of mineral projects
- Strong structural copper fundamentals

Contact us



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Appendices

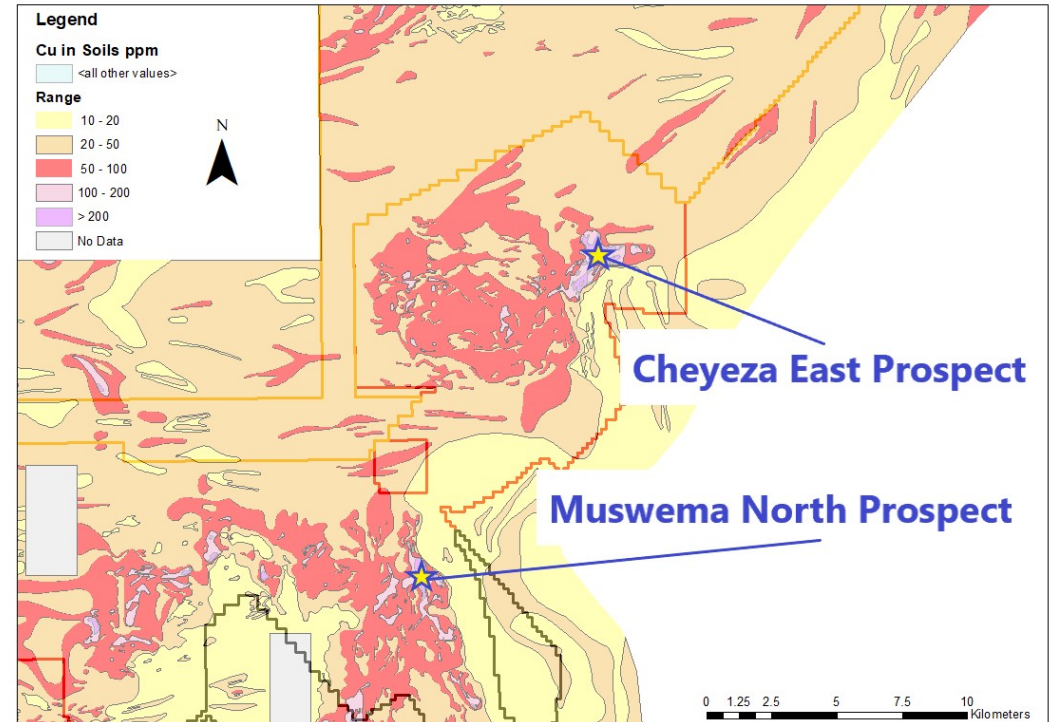


2 Significant Early Discoveries

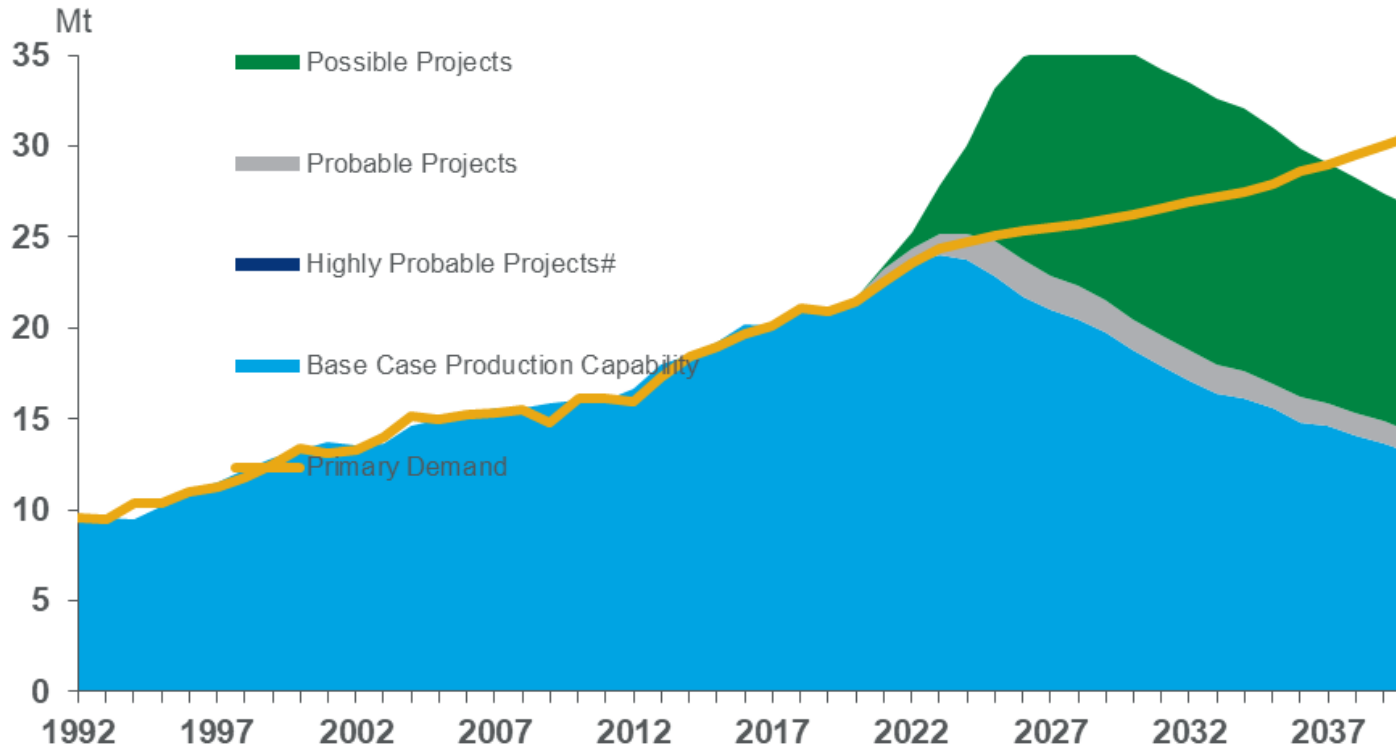


High-grade oxide copper zone discovered in 2019

- Cheyeza East Prospect
 - 18m grading 2.35% Cu
 - 39m grading 1.47% Cu
- Muswema North Prospect
 - Copper bearing sulphides intersected at depth
 - Copper-cobalt mineralisation intersected



Why Copper? Solid Fundamentals



Source: Wood Mackenzie

Note: #In order to be consistent with other Wood Mackenzie metals market services, the highly probable category will no longer be used for copper mining projects

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

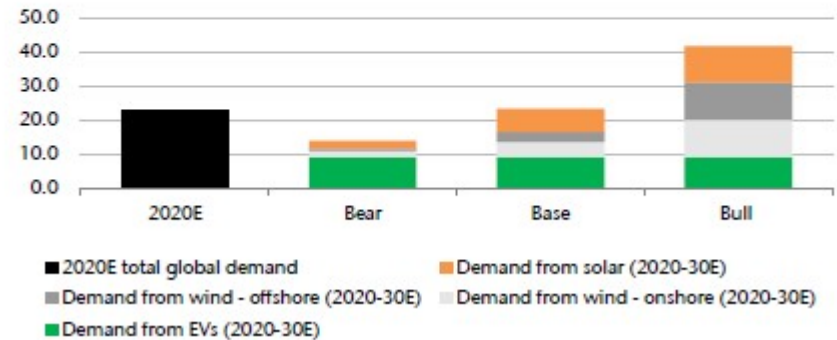
Net Zero Policy

Copper demand to become unmanageable

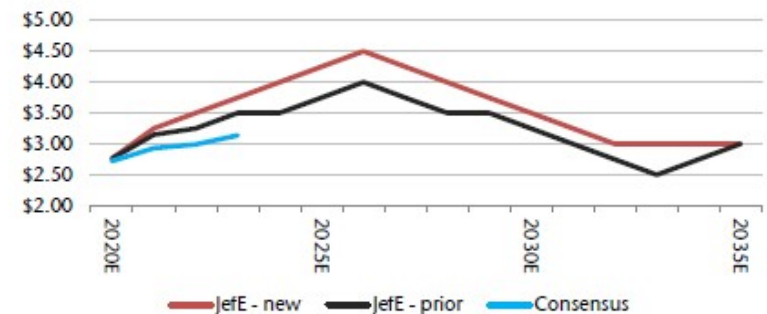
- More and more countries adopt “Net Zero” Policies
- Copper is one of the main beneficiaries and renewable energy is very copper intensive e.g., offshore wind copper intensity of 15t/MW – onshore wind intensity of 5t/mw
- Demand heading into a multi-year deficit as a results of secular demand growth – this will have a favorable impact on copper prices
- Higher copper prices will incentivize investment in exploration, development and new mine capacity



Cumulative Copper Demand from Renewables and EVs 2020-30E (million tonnes)



Copper Price Forecasts (\$/lb)

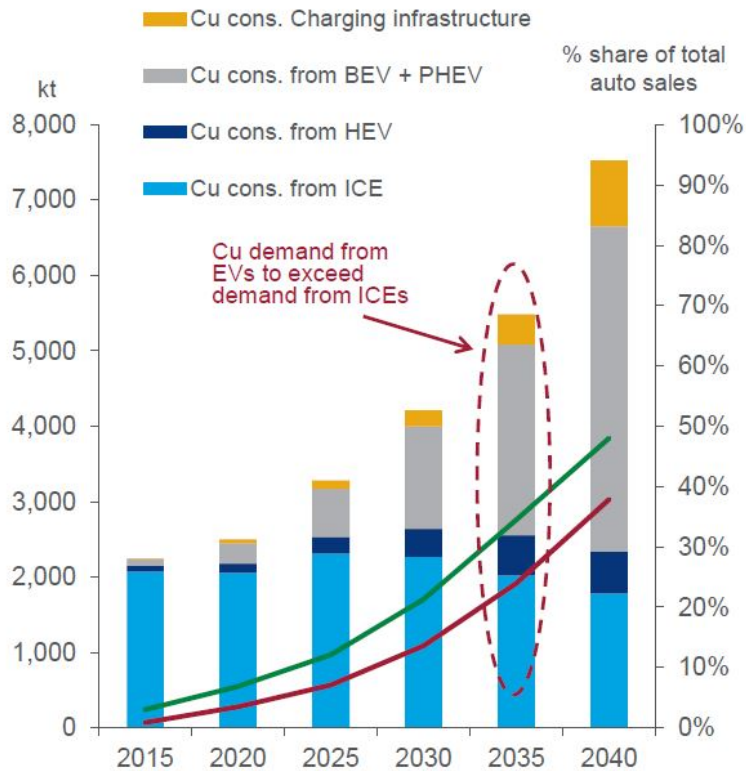


Source: Wood Mackenzie, Jefferies, Copper Alliance

Electrical Vehicles Growth

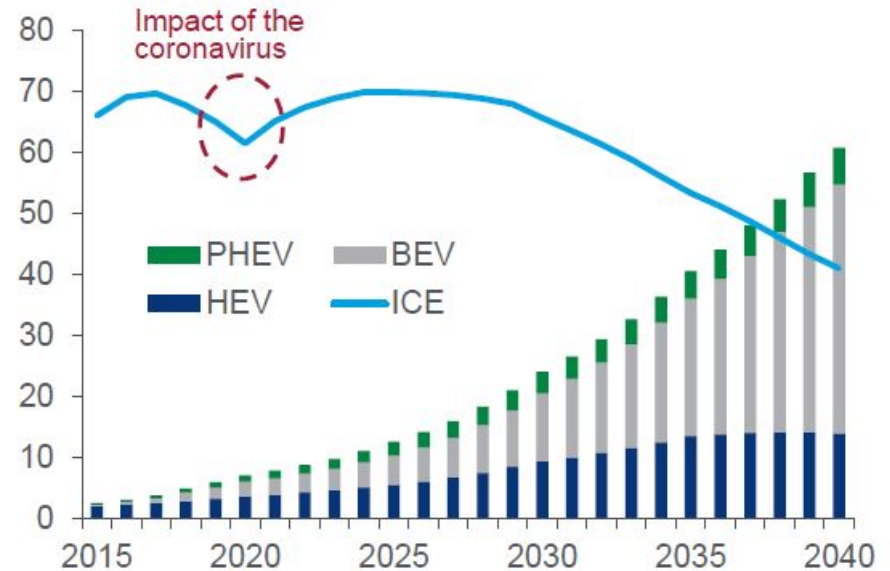


Demand for EVs Will Impact the Copper Market



Source: Wood Mackenzie, Battery Raw Materials Service

EV Sales to grow at an average of 12% p.a. between 2019 and 2040



Source: Wood Mackenzie