

ARC MINERALS LIMITED
Interim Financial Statements
30 June 2024

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2024

	Notes	Six Months to 30 June 2024 (Unaudited) £ 000's	Six Months to 30 June 2023 (Unaudited) £ 000's
Administrative expenses		(514)	(2,201)
Operating loss		(514)	(2,201)
Share of loss from associate		(24)	-
Non-operating Loss		(24)	-
Loss from continuing operations		(538)	(2,201)
Income tax expense		-	-
Loss for the period	3	(538)	(2,201)
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss:			
Unrealised losses		-	(49)
Effect of currency translation		4	53
Other comprehensive income for the period, net of tax		4	4
Total comprehensive loss for the period		(534)	(2,197)
Income / (Loss) attributable to:			
Equity holders of the parent		(631)	(2,196)
Non-controlling interest		93	(5)
		(538)	(2,201)
Total comprehensive income / (loss) attributable to:			
Equity holders of the parent		(628)	(2,206)
Non-controlling interest		94	(9)
		(534)	(2,197)
Loss per share attributable to the owners of the parent during the period (expressed in pence per share)			
- Basic	3	(0.04)	(0.18)

The notes on pages 5 to 9 are an integral part of these consolidated financial statements.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

	Notes	As at 30 June 2024 (Unaudited) £ 000's	As at 31 December 2023 (Audited) £ 000's
ASSETS			
Non-current assets			
Intangible assets	4	1,836	1,699
Investment in Associate		2,434	2,458
Long-term receivable	5	6,811	6,531
Total non-current assets		11,081	10,688
Current assets			
Trade and other receivables	6	1,924	1,859
Short term investments	7	-	68
Cash and cash equivalents		2,403	281
Total current assets		4,327	2,208
TOTAL ASSETS		15,408	12,896
LIABILITIES			
Current liabilities			
Trade and other payables	8	(1,705)	(2,244)
Total current liabilities		(1,705)	(2,244)
Non-current liabilities			
Long term payables	9	(104)	(105)
Total non-current liabilities		(104)	(105)
TOTAL LIABILITIES		(1,809)	(2,349)
NET ASSETS		13,599	10,547
EQUITY			
Share capital	10	-	-
Share premium		68,063	64,464
Share based payments reserve		84	126
Warrant reserve		84	84
Foreign exchange reserve		(114)	(61)
Retained earnings		(54,612)	(54,063)
Equity attributable to equity holders of the parent		13,505	10,550
Non-controlling interest		94	(3)
TOTAL EQUITY		13,599	10,547

The notes on pages 5 to 9 are an integral part of these consolidated financial statements.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 30 June 2024

	Notes	As at 30 June 2024 (Unaudited) £ 000's	As at 30 June 2023 (Unaudited) £ 000's
Cash flows from operating activities			
Loss for the period	3	(538)	(2,201)
Depreciation		-	5
Currency losses / (gains)		(54)	39
Fair value losses / (gains)	7	(28)	1,469
Share of loss of associate		24	-
Non-cash revaluation loss		(251)	-
Operating loss before changes in working capital		(847)	(688)
Increase in trade and other receivables		(40)	(13)
Increase / (Decrease) in trade and other payables		(548)	194
Net cash used in operating activities		(1,435)	(507)
Cash flows used in investing activities			
Additions to intangible assets	4	(137)	(88)
Proceeds from disposal of short-term investments	7	96	-
Net cash used in investing activities		(41)	(88)
Cash flows from financing activities			
Proceeds from issue of ordinary shares net of share issue cost	10	4,005	28
Repurchase of shares	10	(406)	-
Long term payables	9	(1)	11
Net cash generated from financing activities		3,598	39
Net increase/(decrease) in cash and cash equivalents		2,122	(556)
Cash and cash equivalents at beginning of period		281	616
Cash and cash equivalents at end of period		2,403	60

The notes on pages 5 to 9 are an integral part of these consolidated financial statements.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2024

	Share capital	Share premium	Foreign exchange reserve	Share based payment reserve	Warrant Reserve	Retained earnings	Total	Non-controlling interest	Total equity
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
As at 1 January 2023	-	64,272	1,045	283	84	(59,196)	6,488	(643)	5,845
Loss for the period	-	-	-	-	-	(2,196)	(2,196)	(5)	(2,201)
<i>Items that may be reclassified subsequently to profit or loss:</i>									
Currency translation differences	-	-	(10)	-	-	-	(10)	14	4
Total comprehensive loss for the period	-	-	(10)	-	-	(2,196)	(2,206)	9	(2,197)
Share capital issued net of share issue costs	-	28	-	-	-	-	28	-	28
Effect of foreign exchange on the opening balance	-	-	(169)	-	-	30	(139)	-	(139)
Total transactions with owners, recognised directly in equity	-	28	(169)	-	-	30	(111)	-	(111)
As at 30 June 2023	-	64,300	866	283	84	(61,362)	4,171	(634)	3,537
As at 1 January 2024	-	64,464	(78)	126	84	(54,046)	10,550	(3)	10,547
Loss for the period	-	-	-	-	-	(631)	(631)	93	(538)
<i>Items that may be reclassified subsequently to profit or loss:</i>									
Currency translation differences	-	-	3	-	-	-	3	1	4
Total comprehensive loss for the period	-	-	3	-	-	(631)	(628)	94	(534)
Share capital issued net of share issue costs	-	4,005	-	-	-	-	4,005	-	4,005
Cancellation of repurchased shares (note 10)	-	(406)	-	-	-	-	(406)	-	(406)
Warrants and options expired	-	-	-	(42)	-	42	-	-	-
Effect of foreign exchange on the opening balance	-	-	(39)	-	-	23	(16)	3	(13)
Total transactions with owners, recognised directly in equity	-	3,599	(39)	(42)	-	65	3,583	3	3,586
As at 30 June 2024	-	68,063	(114)	84	84	(54,612)	13,505	94	13,599

The notes on pages 5 to 9 are an integral part of these consolidated financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2024

1. Basis of preparation

The condensed consolidated interim financial statements have been prepared under the historical cost convention and on a going concern basis and in accordance with International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union (“IFRS”) and those parts of the BVI Business Companies Act applicable to companies reporting under IFRS.

The condensed consolidated interim financial statements contained in this document do not constitute statutory accounts. In the opinion of the directors, the condensed consolidated interim financial statements for this period fairly presents the financial position, result of operations and cash flows for this period.

The Board of Directors approved this Interim Financial Report on 24 September 2024.

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 “Interim Financial Statements” in preparing these interim condensed consolidated interim financial statements. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS as adopted by the European Union.

Accounting policies

The condensed consolidated interim financial statements for the period ended 30 June 2024 have not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory annual financial statements for the year ended 31 December 2023.

Going concern

The Directors have reviewed a forecast prepared by the executive and have a reasonable expectation that the Group has sufficient funds to continue in operation and satisfy liabilities for the foreseeable future. The Directors therefore consider it appropriate for the Company to continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy,

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2024

described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2. Financial Risk Management

Risks and uncertainties

The Board continually assesses and monitors the key risks of the business. The key risks that could affect the Group's medium-term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's December 2023 Annual Report and Financial Statements, a copy of which is available from the Group's website: www.arcminerals.com. The key financial risks are market risk, currency risk, and liquidity.

3. Loss per share

	Notes	Six Months to 30 June 2024 (Unaudited) £ 000's	Six Months to 30 June 2023 (Unaudited) £ 000's
Loss for the period		(538)	(2,201)
Weighted average number of ordinary shares used in calculating basic loss per share (000's)		1,348,712	1,225,745
Basic loss per share (expressed in pence)		(0.04)	(0.18)

As the inclusion of outstanding warrants and options would result in a decrease in the earnings per share, they are considered to be anti-dilutive and, as such, a diluted loss per share is not included.

4. Intangible Assets

	Alvis-Crest Prospecting & Exploration rights £ 000's	Foreland Deferred Exploration Costs £ 000's	Total £ 000's
As at 1 January 2024	1,699	-	1,699
Additions	127	10	137
Foreign exchange	-	-	-
As at 30 June 2024	1,826	10	1,836
As at 31 December 2023	1,699	-	1,699

NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the period ended 30 June 2024

5. Long-term receivables

	Group 30 June 2024 £ 000's	Group 31 Dec 2023 £ 000's
Receivable – Anglo JV (USD 8.61M)	6,811	6,531
Total	6,811	6,531

6. Trade and other receivables

	Group 30 June 2024 £ 000's	Group 31 Dec 2022 £ 000's
Receivable – Anglo JV (USD 974k)	770	744
Receivable – Casa Sale (USD 1.25M)	988	982
Other Receivables	166	121
Prepayments	-	12
Total	1,924	1,859

7. Short-term Investments Held at Fair Value Through Profit and Loss

The Group's investments held at fair value through profit and loss consist of investments publicly traded on the London Stock Exchange and the Over-The-Counter (OTC) market. These investments are valued at the mid-price as at period end.

	Level 1⁽ⁱ⁾ £ 000's	Level 2⁽ⁱ⁾ £ 000's	Level 3⁽ⁱ⁾ £ 000's	Total £ 000's
At 1 January 2024	68	-	-	68
Additions	-	-	-	-
Fair value and gain on disposal	28	-	-	28
Disposals	(96)	-	-	68
Foreign exchange	-	-	-	-
At 30 June 2024	-	-	-	-
	Level 1⁽ⁱ⁾ £ 000's	Level 2⁽ⁱ⁾ £ 000's	Level 3⁽ⁱ⁾ £ 000's	Total £ 000's
Gains on short-term investments held at fair value through profit and loss				
Fair value gain and disposal on investments	28	-	-	28
At 30 June 2024	28	-	-	28

⁽ⁱ⁾ See note 1 (accounting policy).

NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the period ended 30 June 2024

7. Short-term Investments Held at Fair Value Through Profit and Loss (continued)

	Level 1 ⁽ⁱ⁾ £ 000's	Level 2 ⁽ⁱ⁾ £ 000's	Level 3 ⁽ⁱ⁾ £ 000's	Total £ 000's
At 1 January 2023	1,738	-	-	1,738
Additions	-	-	-	-
Fair value loss	(1,509)	-	-	(1,509)
Impairment of TMNA shares	(164)	-	-	(164)
Foreign exchange	3	-	-	3
At 31 December 2023	68	-	-	68

	Level 1 £ 000's	Level 2 £ 000's	Level 3 £ 000's	Total £ 000's
Losses on short-term investments held at fair value through profit and loss				
Fair value loss on investments	(1,509)	-	-	(1,509)
Realised loss on impairment of investments	(164)	-	-	(164)
At 31 December 2023	(1,673)	-	-	(1,673)

⁽ⁱ⁾ See note 1 (accounting policy).

8. Trade and Other Payables

	Group 30 June 2024 £ 000's	Group 31 December 2023 £ 000's
Trade and Other Payables		
Surrendered share options payable	1,181	1,181
Minority shareholder loans	-	47
Trade and other payables	524	1,016
	1,705	2,244

Surrendered Share Options Payable

The surrendered share options payable is in relation to the surrendered share options as announced on 16 March 2021.

Minority shareholder loans

The minority shareholder loans represent the loan from the 33% minority shareholder to Unico Minerals Limited. The Company has also provided a loan to this company on similar terms which had a balance on the reporting date of c.£1.45 million.

9. Long Term Payables

	Group 30 June 2024 £ 000's	Group 31 December 2023 £ 000's
Long term payables		
Minority shareholder loan	104	105
	104	105

The minority shareholder loan consists of a loan from the 25% minority shareholder of Alvis-Crest (Pty) Ltd. The Company has also provided a loan to Alvis Crest on similar terms which had a balance on the reporting date of c.£964k.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2024

10. Share Capital

The authorised share capital of the Company and the called up and fully paid amounts at 30 June 2024 were as follows:

A) Authorised	£ 000's		£ 000's	
Unlimited ordinary shares of no par value		-		-
	Number of shares	Nominal value	Price per share (pence)	Gross Consideration value GBP'000
B) Called up, allotted, issued and fully paid				
As at 1 January 2024	1,232,318,465	-	-	-
Additions:				
23 Feb 2024 – issued to creditors in lieu of payment	746,664	-	2.33	17
25 Mar 2024 – placing and subscription	229,777,770	-	1.80	4,136
25 Mar 2024 – advisor shares in relation to placing	5,711,110	-	1.80	103
8 Apr 2024 – cancellation of repurchased shares as first announced on 26 Mar 2024	(22,539,746)	-	1.80	(406)
As at 30 June 2024	1,446,014,263	-		-

11. Events after the reporting date

There were no post balance sheet events in addition to those disclosed in the 31 December 2023 Annual Report.

12. Other Matters

The condensed consolidated interim financial statements set out above do not constitute the Group's statutory accounts for the period ended 30 June 2024 or for earlier periods but are derived from those accounts where applicable.

A copy of this interim statement is available on the Company's website: www.arcminerals.com