

**Corporate**

**Share Price** 1.1p

Market Cap £15.2m

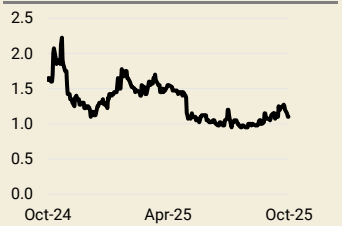
Shares in Issue 1,448m

12m Trading Range 1.0p – 2.2p

Free Float 98%

Next Event Next stage plans

**Price performance (p)**



Source: S&P Capital IQ Pro

**Historic Financials**

Yr end Dec (GBPm)	2021A	2022A	2023A	2024A
Revenue	-	-	-	-
yoy growth (%)	-	-	-	-
EBITDA	(2.0)	(2.0)	(2.7)	(1.4)
EBIT	(2.0)	(2.0)	(2.7)	(1.4)
Adj. PBT	(5.4)	(5.7)	7.1	(2.1)
Adj. PAT	(5.4)	(7.3)	7.1	(2.2)
EPS (p) basic adj.	(0.3)	(0.2)	(0.2)	(0.1)
EPS (p) ful dil. adj.	(0.3)	(0.2)	(0.2)	(0.1)
DPS (p)	-	-	-	-
Gross cash and cash equiv.	1.7	0.6	0.3	1.6
P/E (x)	n/a	n/a	n/a	n/a
EV/EBITDA (x)	n/a	n/a	n/a	n/a
Div yield (%)	-	-	-	-

Source: Audited accounts and Zeus estimates

Arc Minerals is a nomad and broker client of Zeus

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# Arc Minerals

## ARCM LN- Mining

### Arc regains control of its Zambian exploration

Arc today reports that by mutual consent its JV with Anglo American in Zambia has been terminated. This JV was to see significant expenditure in a large exploration project on prospective licences in the Domes region of Zambia. The Domes region is the location of several of the most recent copper discoveries and the site of some major mines: e.g. Sentinel, Kansanshi and Lumwana which between them produced over 500kt of copper at cash costs of ~\$2/lb in 2024. No reasons were given in the RNS, but our view is that the Teck-Anglo merger, the ongoing baseless legal issues against Arc in Zambia together with frustration from Arc that no drilling has been carried out this year all played a part. The licences remain prospective in our view and there is life after the loss of a major. The JV will be left to Arc well funded with \$0.8m dollars in it and there are plenty of opportunities in Zambia, and Botswana where Arc's other projects lie, to generate its own news flow. We keep our fair value under review until we gain clarity on future plans.

**There is life after a major.** We want to point out that the success of a project does not belong to a major's involvement. The prospectivity of the licences remains the same and the limited drilling carried out by the JV (and Arc before that) suggests there is copper enrichment in several parts of the area. We point to Rio Tinto's exit from the Solwezi Domes projects in Zambia with Midnight Sun with different majors coming in and looking at the potential and Orosur's Anzá gold project in Colombia where Newmont and Agnico Eagle walked away and now Orosur's management are drilling significant gold intercepts. Midnight Sun and Orosur are reaping the reward of a 3x and a 10x share price increase in 12 months respectively. If the project has value, it will be found.

**There are more majors scouring Zambia for projects in good geology.** We understand that the majors in the Central African Copperbelt are looking for good projects. We anticipate that Anglo's withdrawal will mean that Arc won't be short of future partners – if that is its choice.

**Junior exploration can be more focussed.** While the addition of a major's capital to a project can leave it well funded, sometimes exploration is not focussed and looks for a greater understanding of the underlying geology and controls on mineralisation rather than following up decent intersections in a timely manner. The lack of focus and the lack of updates can be an issue for juniors, especially those reliant on continued access to the capital markets.

**Arc has cash.** Anglo leaves \$0.8m in the JV together with a payment due to Arc from Avanti after a listing following its sale of Casa Mining in 2022, plus its existing cash shows that Arc does not have to rush in to make any decisions.

**Arc continue to deal with the baseless claims** "by an individual intent on holding the company to ransom" and so deal with internal Zambian problems once and for all – the ongoing legal disputes have weighed heavily on Arc's share price at various times, and it would be good for the market to understand that this is no longer an issue.

**Has a diversifier in its well-located copper licences in Botswana.** We view the Botswanan assets highly. They're well-located in the Kalahari Copperbelt and could be a valuable asset. The Copperbelt in Botswana hosts several significant copper mines and is the best place outside of Zambia and DRC to explore for copper in Africa, in our view.

**Zeus View.** Not the best of news today, but there are many reasons to still be positive about Arc Minerals and its exploration in Zambia. The world needs more copper judging by demand forecasts and the Central African Copperbelt offers size and grade and is still, in our opinion, one of the best places to explore for new copper deposits.

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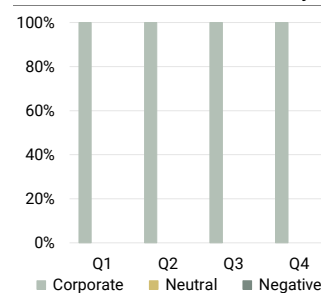
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Recommendation distribution at 30 September 2025 Source: Zeus

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Financial Adviser	1
Research client	8

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