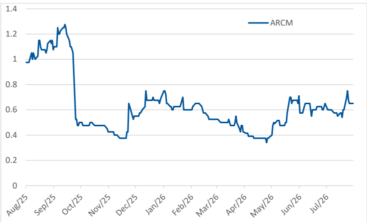
25th August 2026

Sector: Basic Materials

Copper exploration and development in Zambia and Botswana.

Market data

Markets	AIM
Ticker	ARCM
Price (p/sh)	0.65
12m High (p/sh)	1.28
12m Low (p/sh)	0.34
Ordinary shares (m)	2459.6
Mkt Cap (£m)	16.0
EV (£m)	13.2
Free Float	82%



Source: ©Alpha Terminal

Description

Arc Minerals Limited is an exploration and mine development company. The Company is focused on the discovery and development of large-scale copper and copper cobalt deposits in the Western part of the Zambian Copperbelt and the Kalahari Copper Belt in Botswana.

www.arcminerals.com

Board & key management

Chairman	Nicholas Von Schirnding
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Arc Minerals Ltd

Right commodity, at the right time, in the right place

Arc Minerals ("ARCM") offers investors exposure to two of Africa's most prospective copper belts: the Kalahari Copper Belt ("KCB") in Botswana and the Central African Copper Belt ("CACB") in Zambia. ARCM's projects are located near existing world class operations and offer considerable exploration upside. Whilst ARCM's Kabompo West project in Zambia is more advanced, its Virgo project lies within MMG's Zone 5 corridor (a highly prospective region with c.6Mt of contained Cu and c.260Moz of Ag) in the KCB. Drilling at Virgo is expected to start imminently, targeting several geophysical anomalies.

- **Virgo project in the Kalahari Copper Belt (KCB), Botswana:** ARCM holds a 75% interest in two licences (with an option to increase to 100%) totalling c.210km2 of highly prospective copper mineralisation within the KCB. These are adjacent to MMG's Khoemacau district, which currently boasts a total combined resource of 450Mt grading 1.4% Cu and 18g/t Ag. The Company has recently completed geophysical surveys (both magnetic and IP) over its PL135/2017 licence and has identified several anomalies along an estimated 18km of inferred redox contact between the D'Kar Formation (DKF) and Ngwako Pan Formation (NPF), a key structural control for copper mineralisation within the KCB. A diamond drill programme is expected imminently focused on several anomalies with the highest potential for mineral traps along the DKF-NPF contact.

- **Kabompo West (Central Africa Copper Belt, Zambia):** Kabompo West project comprises 680km2 within the Western Domes region, an extension of the Central Africa Copper Belt. The region hosts multiple deposits exceeding several million tonnes of contained copper. Kabompo is an advanced exploration play with widespread copper mineralisation already identified across several discoveries. Best intercepts to date include: 18m grading 2.35% Cu, 39m grading 1.47% Cu and 40.6m grading 0.61% Cu. ARCM recently reached a comprehensive Settlement Agreement bringing all outstanding legal disputes to a full and final close relating to Kabompo West. Management is in discussion with the major mining companies in relation to Kabompo's strategic development as well as conducting a comprehensive review of the extensive technical database.

- **Copper market remains bullish:** Demand for copper continues to grow whilst supply is constrained by falling grades, long permitting timelines, increasing capital intensity and lack of major new discoveries. As such, recent spot prices have hit record highs of c.$14,900/t. Unsurprisingly, the major diversified miners are becoming more copper focused which augurs well, in our opinion, for junior explorers and developers as high-quality copper discoveries with significant exploration upside can attract M&A, joint ventures and strategic investments.

- **Relative valuation:** Given the lack of resource data for either of ARCM's projects, we apply a simple relative valuation based on the total inferred km of the targeted DKF-NPF contact to arrive at a valuation. We note that the main driver of ARCM's valuation will be drill results from the upcoming drill campaign at Virgo.

Summary: ARCM offers exposure to two of Africa's most prospective copper belts with projects proximal to existing world class copper operations. As such, we expect a significant re-rating of the stock on the back of a successful drill programme at Virgo and/or a strategic development plan for its Kabompo West project.

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Investment summary

Discovering Tier 1 copper deposits in Africa

ARCM offers exposure to Africa's most prospective copper belts

ARCM is an AIM-quoted copper exploration and development company focused on discovery of Tier 1 copper deposits in Africa and offers direct exposure to two proven copper districts in Zambia and Botswana.

Right commodity, right time, in the right place

Copper, copper, and more copper

ARCM has unique exposure across two of Africa's most prospective Copper regions: the Zambian Copper and the Kalahari Copper Belts. The structural market for copper remains bullish as global supply struggles to keep pace with growing demand from several sectors including electrification, renewable power, data centres and grid expansion. As such, several major mining companies are now actively seeking new copper assets through M&A and potential joint ventures.

Virgo project lies within the prolific KCB

Virgo project lies within MMG's Khoemacau mining hub

ARCM's Virgo project is adjacent to MMG's Khoemacau copper-silver mining district which hosts total resources of c.450Mt grading 1.4% Cu and 18g/t Au for c.6Mt of contained copper and c.260Moz of contained silver. MMG acquired Khoemacau in 2023 for $1.9bn and is in the process of expanding its Boseto operations from 3.65Mtpa to 8.15Mtpa with a new processing plant near its Zone 5 operations. Moreover, MMG considers its Zone 5 corridor a new exploration priority as the region hosts several high-grade economic occurrences. We note that ARCM is the only junior explorer located in MMG's highly prospective Zone 5 corridor.

Kabompo West project within the Western Domes region, Zambia

Dual strategy approach for value creation

Kabompo West project is a district-scale copper exploration opportunity located in Zambia's Western Domes region, a highly endowed but underexplored extension of the Central Africa Copper Belt. The project benefits from a substantial technical dataset with over 27,000m of drilling. Key intercepts include 18m grading 2.35% Cu, 39m grading 1.47% Cu and 40.6m grading 0.61% Cu across multiple discoveries. Management is currently considering a dual-track strategy of pursuing partnerships with major mining companies and reinterpreting its extensive geological and geophysical database in preparation of a new drilling campaign.

Relative valuation: Significant discount to its peer

Exploration success will be the main driver of ARCM's valuation

At this stage, ARCM's valuation is driven primarily by exploration success rather than defined mineral resources. If the Khoemacau-style mineralisation repeats itself within ARCM's Virgo project (PL135/2017), then we expect a significant rerating of the stock. We note that ARCM's peer, Leviathan Metals (LVX-TSX.V), holds a licence adjacent to MMG's Zone 5 corridor and has c.24km of prospective DKF - NPF contact. With a current EV of £40m, Leviathan trades on an EV/km of prospective DKF – NPK contact of £1.67m/km. Notwithstanding the Kabompo project, ARCM trades on a multiple of £0.73m per km, representing a 56% discount to Leviathan.

Sensitivities: All eyes on resource recognition and development

Exploration and jurisdictional risks

Whilst ARCM's projects occur in the right regions for Tier-1 copper discoveries, there are significant exploration risks as neither project has defined an economic resource yet and we note that most exploration programmes fail to discover commercial deposits. There are also country risks, although Botswana is regarded as a mining friendly jurisdiction (rated top jurisdiction in Africa in the 2025 Fraser Institute Investment Attractiveness Survey), Zambia (rated third by the Fraser Institute) has experienced numerous licence disputes and legal challenges over the years that has negatively affected market sentiment towards the country and its natural resources. ARCM has experienced long-standing legal disputes amongst several related parties but has recently concluded a comprehensive Settlement Agreement bringing all outstanding legal disputes to a full and final close.

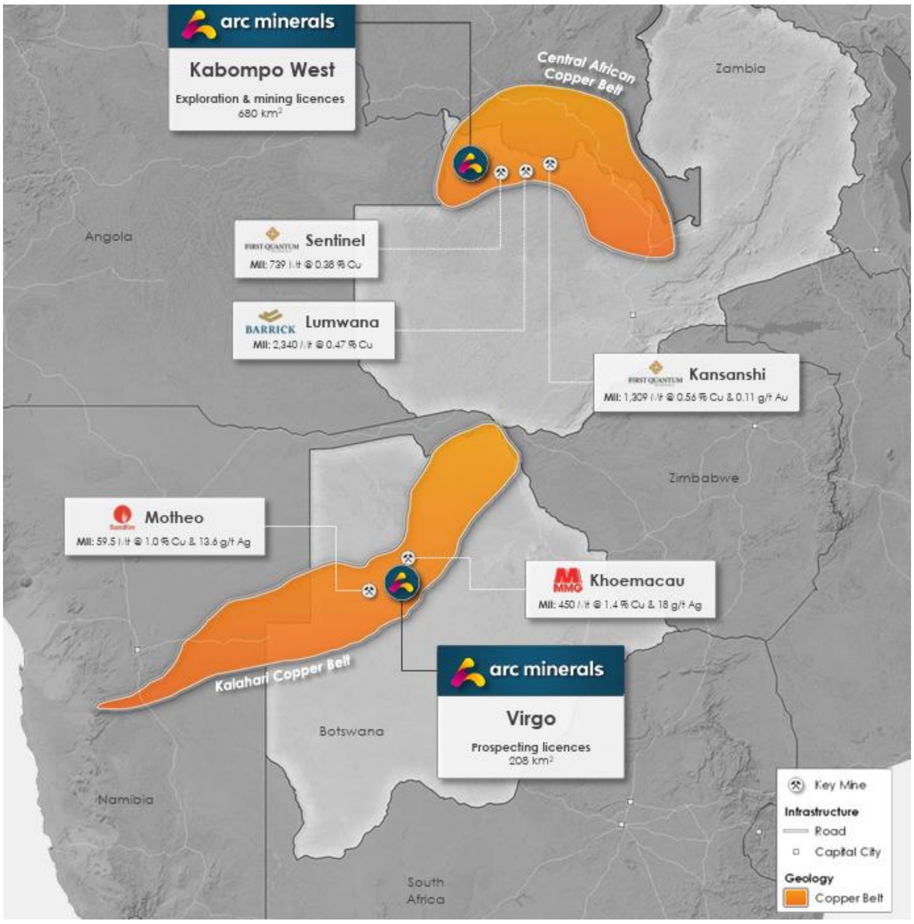
Shard Capital

Company overview: Copper explorer

ARCM is focused on the discovery of Tier-1 copper assets in Zambia and Botswana

ARC Minerals Limited is an exploration and mine development company. The Company is focused on the discovery and development of large-scale copper and copper-cobalt deposits in the Western part of the Zambian Copperbelt and copper-silver deposits the Kalahari Copper Belt in Botswana.

Figure 1 – ARCM's licences within two highly prospective copper districts in Africa.



Source: Company reports

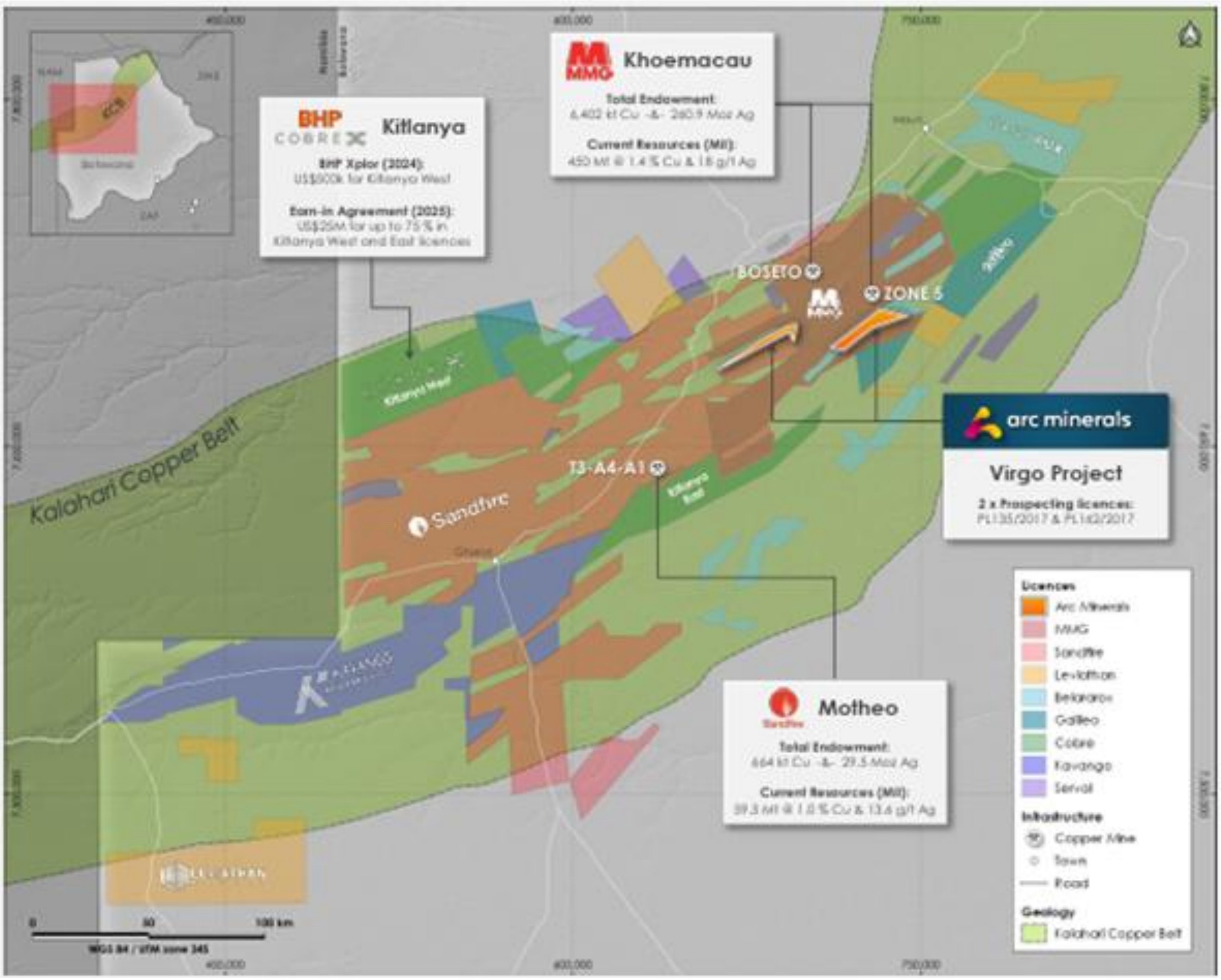
Project summary

Kalahari Copper Belt (KCB) – Virgo project, Botswana

A proven sediment-hosted copper-silver system

Copper and silver mineralisation in Botswana is hosted within the Ghanzi-Chobe Fold and Thrust Belt that forms the southern portion of the much larger Pan-African Mobile Belt. Regionally, the Pan African Belt stretches from Namibia through Botswana, Zambia and into the Democratic Republic of Congo. More locally, the Kalahari Copper Belt extends northeastward from Namibia into Botswana for c.1,000km (Figure 1). In Botswana, the KCB is also referred to as the Ghanzi-Chobe Belt and is host to several well-known stratabound sediment-hosted copper deposits and mining operations (Figure 1).

Figure 2. Kalahari Copper Belt (KCB) also known as the Ghanzi-Chobe Belt in Botswana and hosts several major mining operations and deposits.



Source: Company data.

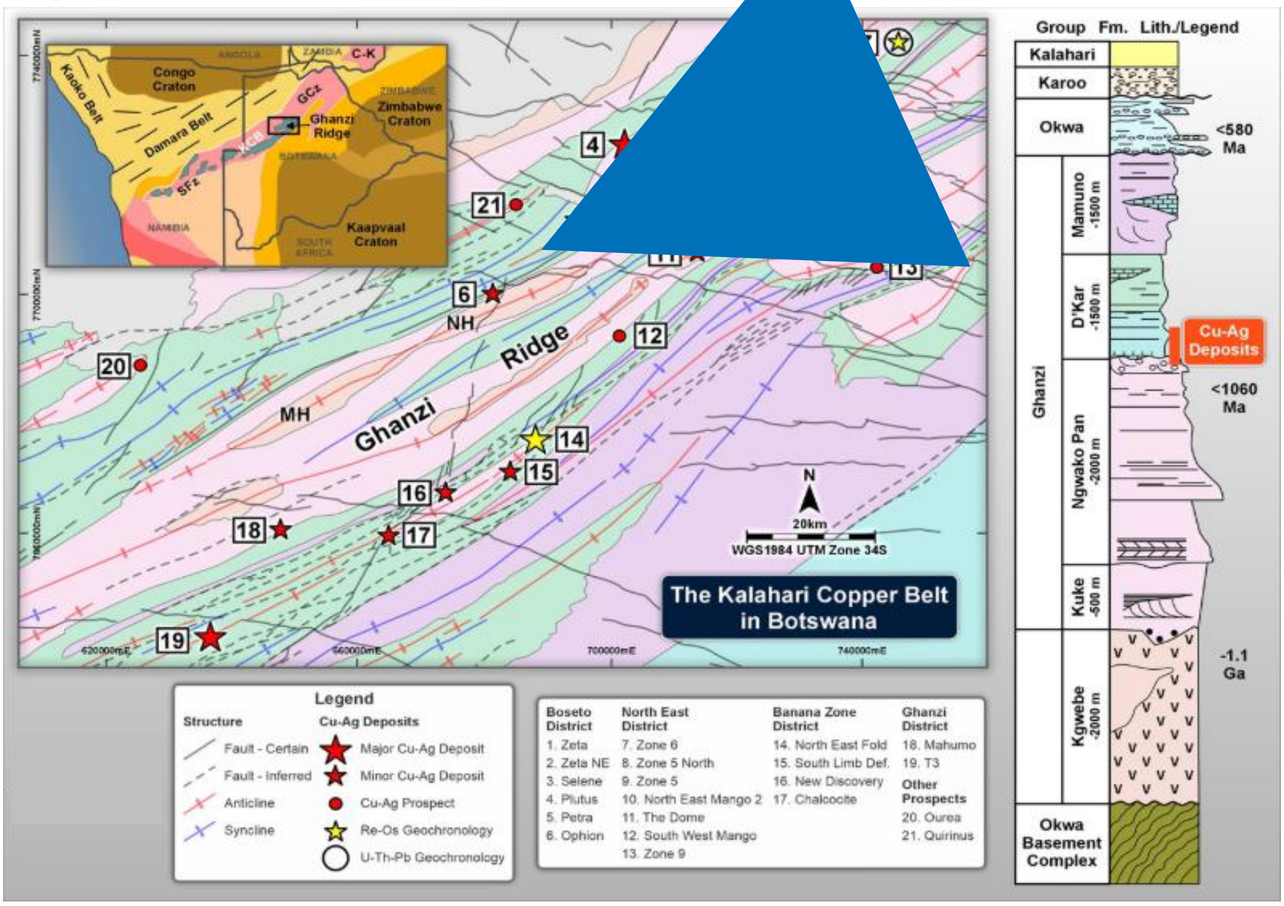
Geology, stratigraphy, exploration and mineralisation

KCB extends c.1000km from Namibia to Botswana

The KCB consists of a deformed package of metasedimentary and metavolcanic rocks that were deposited during the late Mesoproterozoic to early Neoproterozoic eras (1,600 to 540Mya) along the rifted northwest margin of the Kalahari Craton. The late Neoproterozoic collision of the Kalahari and Congo cratons resulted in the formation of the Pan-African Damara Orogeny that forms the present-day structural configuration of the Kalahari Copper Belt.

Stratigraphically, the KCB comprises a basal rift-related bimodal volcanic suite named the Kgwebe Formation, which is unconformably overlain by the Ghanzi Group metasediments. This group, from oldest to youngest, comprises the Kuke Formation, Ngwako Pan Formation (NPF), D'Kar Formation (DKF) and Mamuno Formation (Figure 2).

Figure 3 – Regional map and associated stratigraphic cross-section of the Kal[illegible] Copper Belt in Botswana (aka Ghanzi-Chobe Zone).



Source: After Lehmann et al. 2015

Structures and redox boundary create mineralised traps

During the Pan African Damaran orogenesis the entire region was subjected to compression, folding and thrusting along northeast trends resulting in structurally repeated stratigraphically controlled mineralisation over hundreds of kilometres. The structural orientation and related permeability are key aspects in the mineral trap site development. Deposits generally occur at the margins of basement structures where the stratigraphic redox boundary is controlled by sediment deposition and structural geometry. Flexural slip along bedding on the limbs of parasitic folding were important primary fluid pathways. Brittle fractures, and tectonic breccia at local and deposit scale are the dominant secondary structural mechanisms.

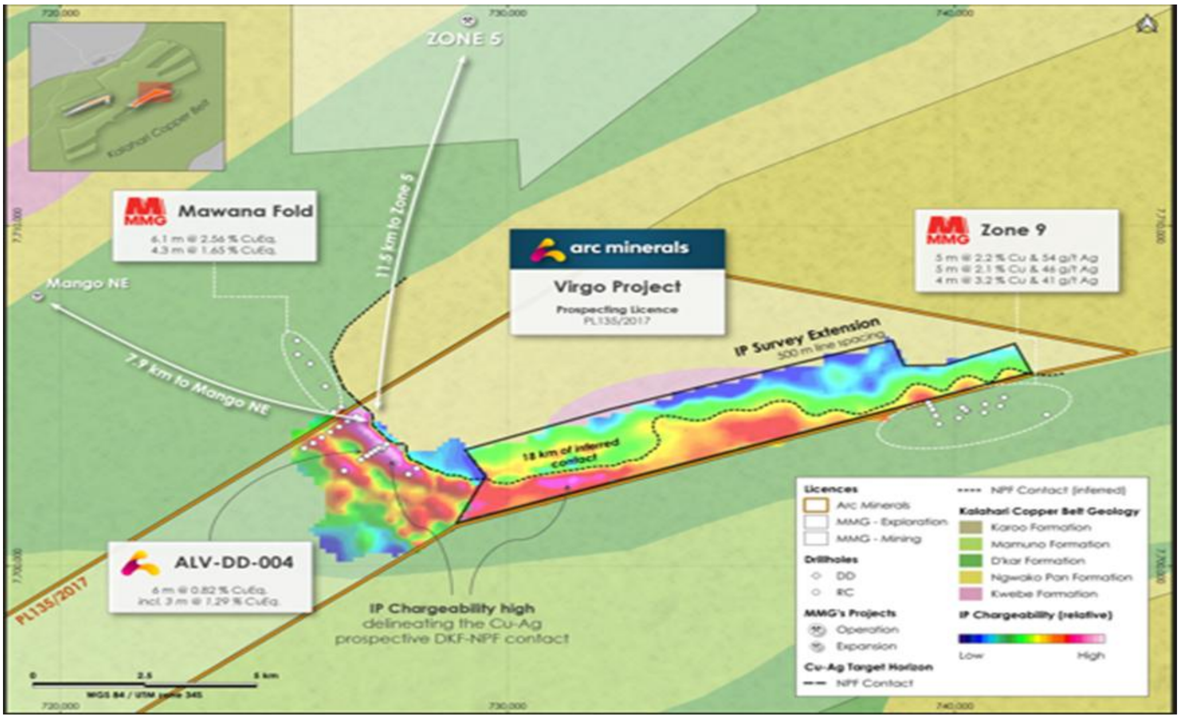
Whilst mineralisation differs slightly in each deposit, economic grades are dominantly related to shearing, folding and tensional failure along and close to the Ngwako Pan Formation (NPF) and D'Kar Formation (DKF) redox contact. Disseminated and hydrothermal vein-hosted sulphide mineralisation styles combine to produce continuity of high-grade copper and silver mineralisation over tens of kilometres.

Exploration: diamond drill programme to start imminently

Airborne and ground geophysical surveys (aeromagnetic, airborne electromagnetic, seismic, induced polarisation (IP) and gravity) are the most cost-effective way to identify the key DKF – NPF redox contact. Interpretation of the geophysics has been critical in understanding the stratigraphic architecture of the basin and the formation of copper mineralisation traps.

ARCM's Virgo project lies within the Mawana fold structure and continues along the southwestern limb. As such, this structural setting allows for stratigraphic repetition of the DPF-NPF contact, the key horizon for copper and silver mineralisation.

Figure 4. Trace of D'Kar – Ngwako Pan contact from 2024 and 2026 IP surveys within PL135/2017

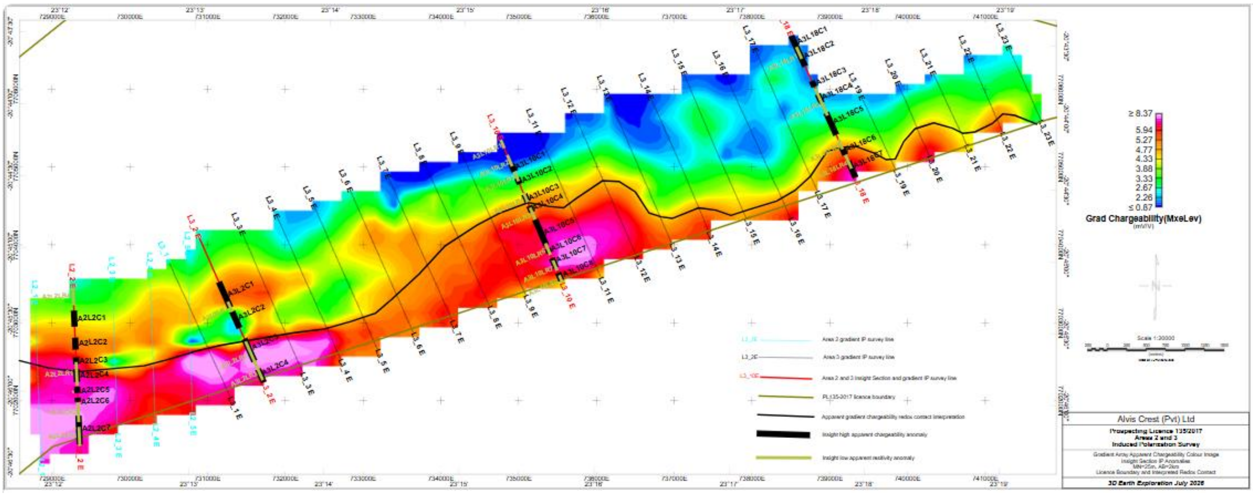


Source: Company data

18km of inferred DKF-NPF contact at Virgo

ARCM recently contracted 3D Earth Exploration Ltd to conduct a ground magnetic and IP survey over its PL135/2017 licence as a continuation from its 2024 IP survey along the Mawana Fold. The programme commenced with a ground magnetic survey and was dominated by a large magnetic feature in the east that corresponds to the Kgwebe volcanics that heavily affected the magnetic signature. After completing 230-line km, management decided that the IP survey would be the main focus and has identified the prospective DKF-NPF contact continuation from the 2024 IP survey. The magnetic anomalies suggest an area of structural complexity on the southern limb of the Mawana Fold, which was further confirmed by the IP survey. ARCM now considers this to be an area of interest that could potentially host mineralised zones. The IP survey consisted of a total of 59-line km and were designed to cover the full extent of the inferred DKF-NPF contact across the licence and interpreted redox boundary. As such, results appear to have extended the DKF-NPF contact by a further 14km (Figure 5) to the East of the area that was surveyed in 2024. On aggregate, the total contact length can now be traced over 18km (Figure 4).

Figure 5. Apparent chargeability contoured image illustrating the redox contact (D'Kar – Ngwako Pan contact)

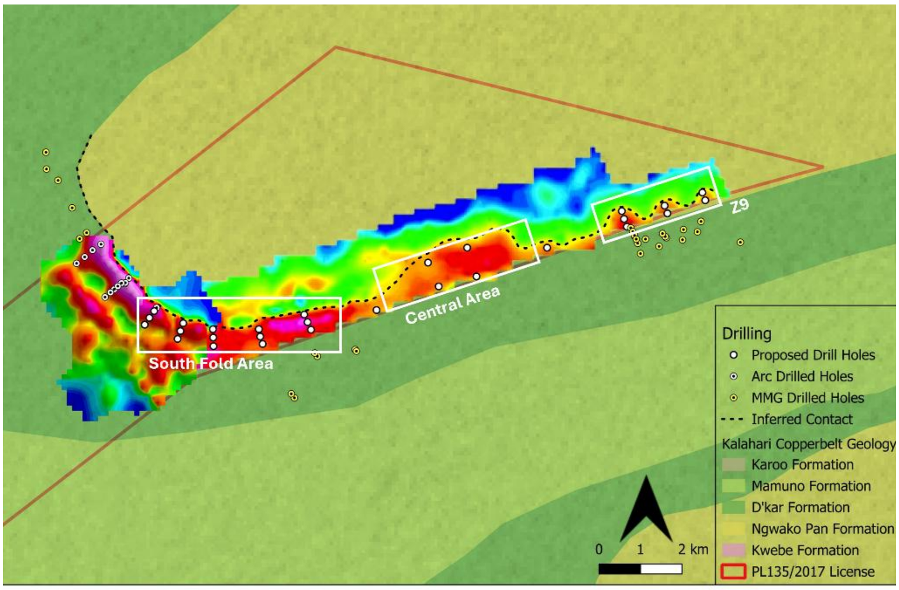


Source: Company data.

Drill programme expected imminently

Based on the above geophysical surveys, ARCM has planned a diamond drill programme focused on three target areas: South Fold area, Central area and Z9 area within the P135/2017 licence (Figure 6). ARCM is expecting to drill between 20 and 28 diamond drill holes with expected depths between 200 and 400m. We understand that ARCM has submitted renewal applications for both licences in June and that approval is expected ahead of licences expiring 30 September. Note that drilling will commence ahead of licence renewal.

Figure 6. Proposed drill programme August 2026 – Q1 2027.



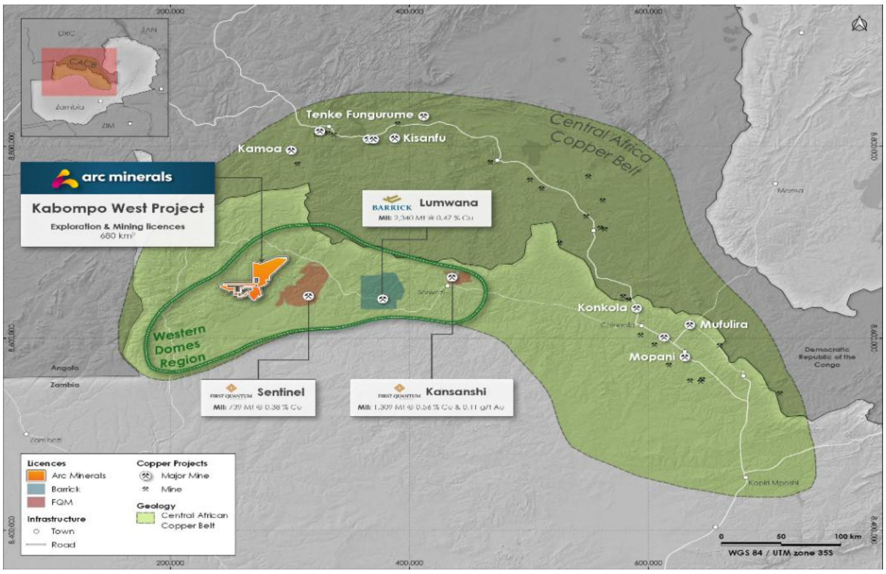
Source: Company reports.

Kabompo West project in the Central African Belt, Zambia

Advanced exploration play within Central Africa Belt

ARCM's Kabompo West project comprises 680km2 and is located within the Western Domes Region of the Central African Belt in Zambia. The region hosts several world class copper mines: Kansanshi, Sentinel and Lumwana (see Figure 7). ARCM is targeting sediment-hosted copper deposits within the highly prospective Roan Formation.

Figure 7 – Kabompo West project, Western Domes Region, Central African Copper Belt, Zambia



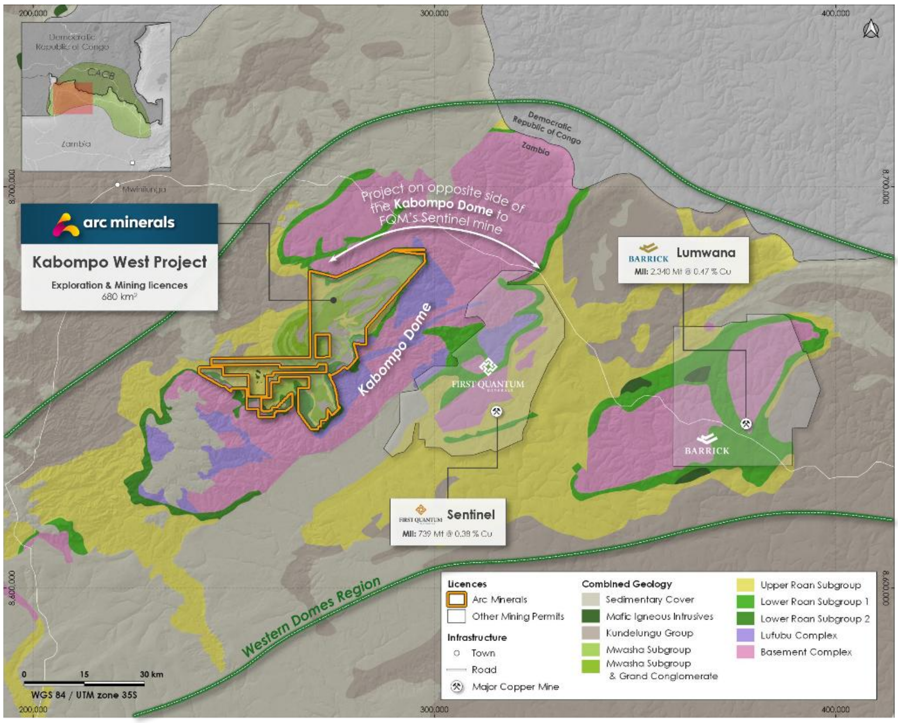
Source: Company data

Extensive exploration work

Existing comprehensive geological database

Kabompo West benefits from extensive historical work. Results to date suggest widespread mineralisation across multiple targets, supporting the potential for a large-scale system. Approximately 87,000 soil samples coupled with c.10,700 line km of geophysical surveys as well as c.27,000m of drilling have confirmed both oxide and sulphide mineralisation across multiple targets. As such, Kabompo West project represents one of the largest exploration footprints in the Western Domes Region. Key highlights from drilling returned significant intercepts including: 18m grading 2.35% Cu, 39m grading 1.47% Cu and 40.6m grading 0.61% Cu.

Figure 8 – Kabompo Dome, Western Domes Region, Central African Copper Belt, Zambia



Source: Company data

Settlement agreement frees up management's time

ARCM signs an agreement to end all outstanding legal disputes

On 27 May 2026, ARCM announced that it has entered into a comprehensive Settlement Agreement bringing an end to all outstanding legal disputes with various parties regarding ARCM's licences in Zambia. The agreement allows ARCM's management to focus entirely on advancing its exploration and development activities in Zambia and Botswana.

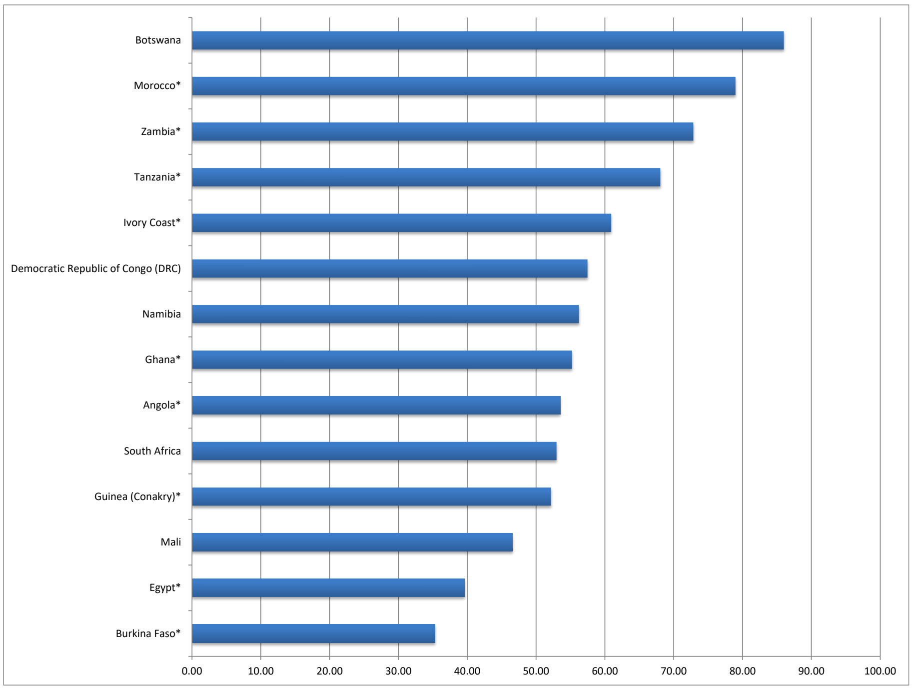
The Company is pursuing a dual-track strategy. Alongside ongoing discussions with major mining companies regarding potential strategic opportunities, ARCM is conducting a comprehensive review of its extensive geological, geophysical and drilling database. As part of this process, management is assessing the potential application of AI-assisted geological interpretation to complement traditional exploration techniques and unlock further value from the existing dataset.

Low risk African mining jurisdictions

Botswana is top mining jurisdiction in Africa

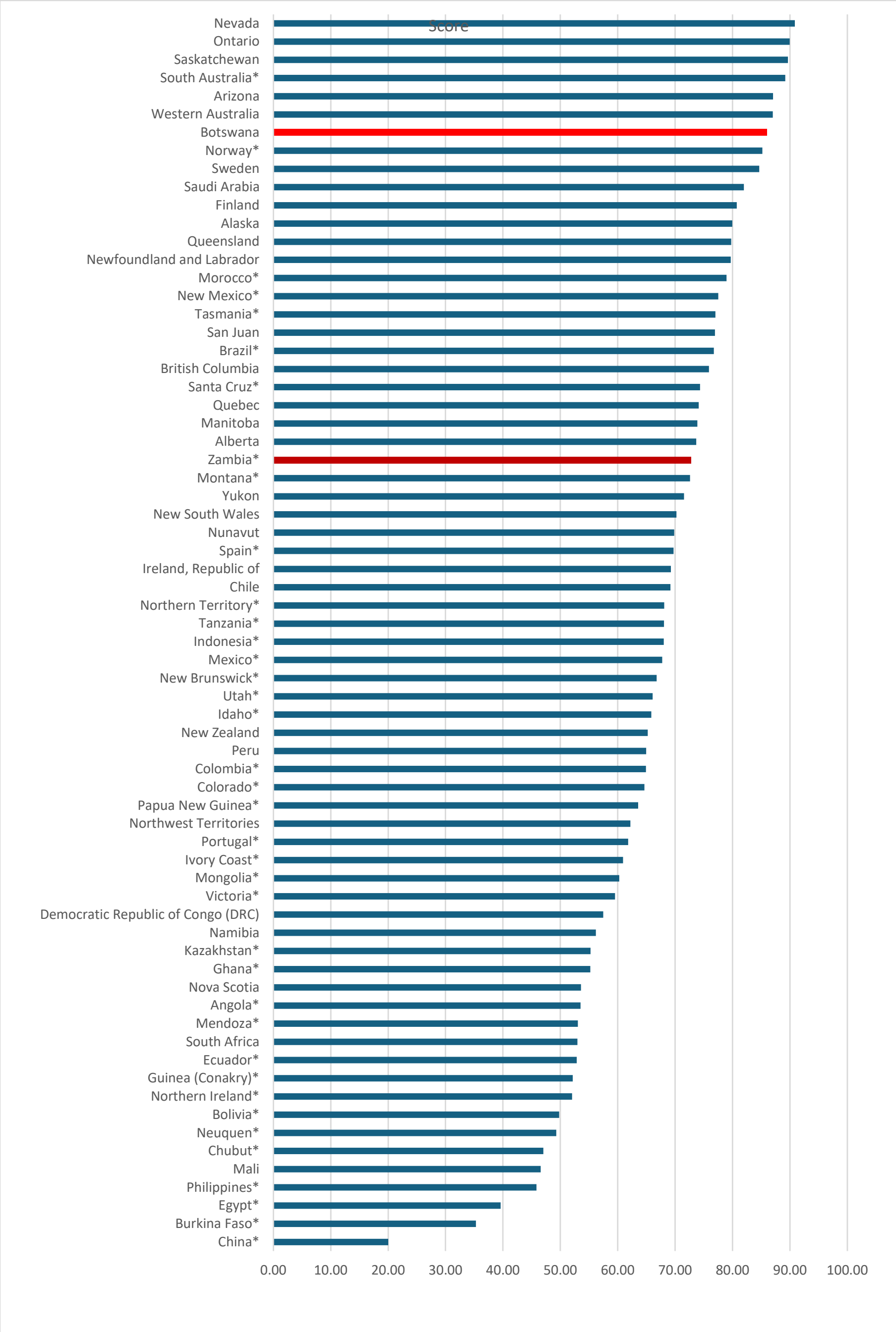
Both of ARCM's copper projects are located within attractive mining jurisdictions. The Fraser Institute ranked Botswana #1 (#7 globally) and Zambia #3 (#25 globally) in its 2025 annual global mining survey in terms of investment attractiveness for Africa. This metric is a combination of the Best Practices Mineral Potential index, which rates regions based on their geologic attractiveness, and the Policy Perception Index, a composite index that measures the effects of government policy on attitudes toward exploration investment.

Figure 9. Fraser Institute annual mining survey for Investment Attractiveness Index - Africa (2025)



*Source: Fraser Institute; Annual survey of Mining Companies, 2025; * between 5-9 responses.*

Figure 10. Fraser Institute annual mining survey for Investment Attractiveness Index (2025)



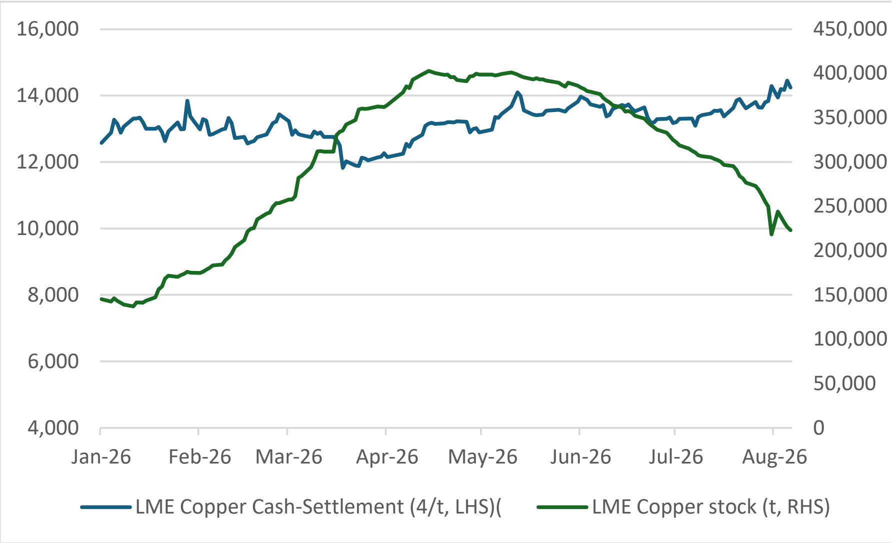
Source: Fraser Institute; Annual survey of Mining Companies, 2025; * between 5-9 responses.

Copper market

Copper is seen as the engine that is driving growth for most of the diversified miners

The global copper market is one of the strongest structural themes across all commodities. Spot prices have been trading at above historical levels suggesting bullish outlook over the medium term driven mostly by falling inventories and stronger import demand from China. With current spot prices above three-month futures, the combination of falling inventories and backwardation suggest immediate physical tightness.

Figure 11. Year to date copper cash ($/t) settlement versus LME inventory (tonnes).



Source: Westmetall.com

Demand

Copper demand is expected to grow to more than 50mt per annum by 2050.

The ICSG (International Copper Study Group) estimates that the total global demand for refined copper will grow by 1.6% in 2026 and by 3% in 2027. Over the longer term, demand is expected to grow to more than 50mt per annum by 2050 from 34mt this year. Most of this demand from Asia. In general, however, global usage is expected to continue to be supported by improvements in manufacturing activity in some of the key copper end-use sectors, continued demand from energy transition, urbanisation, digitalisation (data centres) and the development of new semi refined production capacity in several countries. Whilst traditional construction demand (particularly in China) remains weak, this is being offset by increased demand by power grids, EVs and data centres.

Supply

Sufficient supply is still a major concern

On the supply side, refined copper production is expected to rise by c.0.4% (ICSG). Copper remains one of the key minerals where sufficient supply is a major concern. The IEA estimates that there will be a 25% copper supply deficit by 2025, even after considering current pipeline developments and expansion from projects in the DRC and Zambia. New supply has proven difficult with average global copper grades falling and capital intensity increasing.

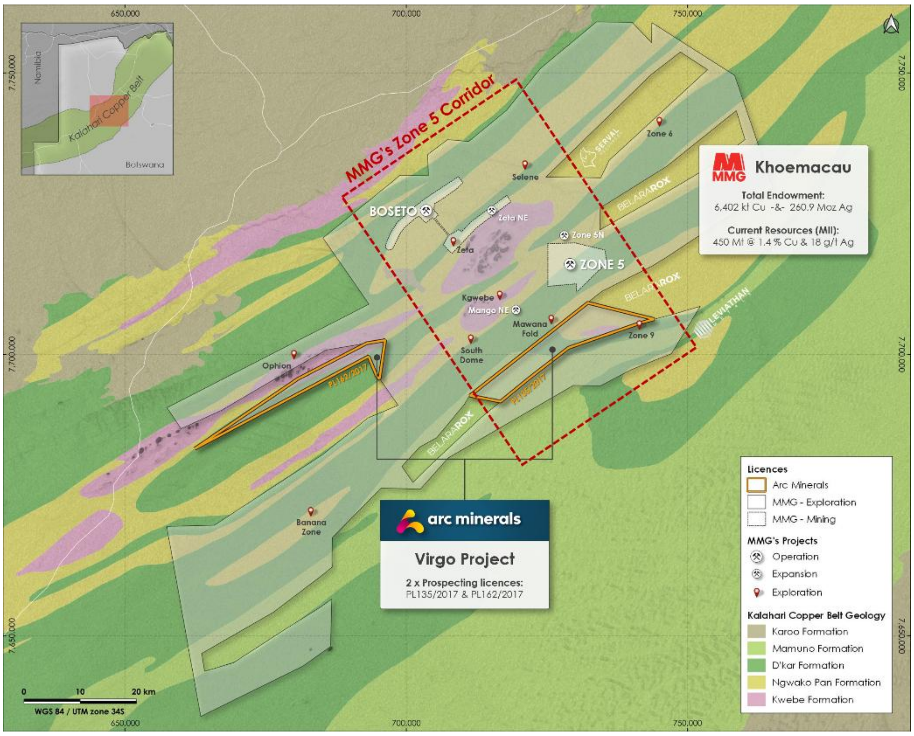
Prices

Current copper prices are c.$14,500/t. We expected prices to be well supported at these levels due to strong long-term fundamentals. As demand pivots from construction and manufacturing to electrification, grids, renewable power and data infrastructure coupled with constrained new mine supply, copper prices are expected to remain at current levels over the medium to long term.

Relative valuation

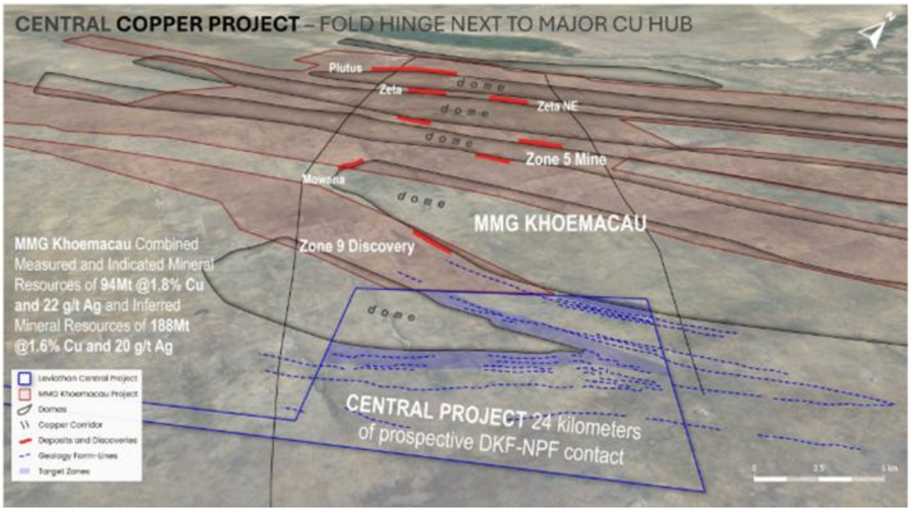
Given the early stage of exploration at Virgo we employ a simple relative valuation for ARCM. Due to the highly prospective location of ARCM's project, we look at the EV per km of prospective DKF-NPF contact with other junior explorers within or adjacent to MMG's high priority Zone 5 corridor (Figure 12). That said, we note that there are no other juniors within the corridor and only one explorer, that we know of, with licences adjacent. Leviathan Metals (LVX.TSX) has a current market cap of c.£44m and 24km of prospective DKF – NPF contact within its Central copper project (Figure 13), located c.5km from ARCM's PL135/2017 licence. With a current EV of c.£40m, Leviathan trades on an EV/km of prospective DKF – NPK contact of £1.67m/km. Notwithstanding the Kabompo project, ARCM trades on a multiple of £0.73m per km (Figure 14), representing a 56% discount to Leviathan. To date, Leviathan has completed 14 drill holes for a total of 3,600m of a 10,000m diamond drill programme on the back of its recent geophysical surveys. Whilst assay results are pending, visible copper sulphide minerals including chalcopyrite and bornite and/or chalcocite have been observed in minor amounts over intervals of over 10m.

Figure 12. MMG's Zone 5 corridor and locations of ARCM's Virgo project.



Source: Company data.

Figure 13. MMG's Zone 5 corridor and location of Leviathan Metals Central project.



Source: Company reports

Figure 14 – Peer comparison

Zone 5 corridor project name	Prospective DKF-NPF contact (km)	EV £m	EV/km
Central Copper Project, Botswana	24	40.0	1.67
Virgo Project, Botswana	18	13.2	0.73

Source: Company reports, Shard Capital Markets, prices as of 24/08/2026.

Conclusion

ARCM offers exposure to two of Africa's most prospective copper belts with projects proximal to existing world class copper operations. As such, we expect a significant re-rating of the stock on the back of a successful drill programme at Virgo and/or a strategic development plan for its Kabompo West project.

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