ARC MINERALS LIMITED
Condensed Consolidated Interim Financial Statements
30 June 2026

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2026

	Notes	Six Months to 30 June 2026 (Unaudited) £ 000's	Six Months to 30 June 2025 (Unaudited) £ 000's
Administrative expenses		(965)	(2,117)
Operating loss		**(965)**	**(2,117)**
Loss on correction of restricted cash (Handa group)	5	(774)	-
Share of loss from associate		-	(160)
Non-operating loss		**(1,739)**	**(2,277)**
Loss from continuing operations		**(1,739)**	**(2,277)**
Income tax expense		-	-
Loss for the period	3	**(1,739)**	**(2,277)**
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss:			
Unrealised losses		-	-
Effect of currency translation		212	21
Other comprehensive income for the period, net of tax		**212**	**21**
Total comprehensive loss for the period		**(1,527)**	**(2,256)**
Income / (Loss) attributable to:			
Equity holders of the parent		(1,703)	(2,134)
Non-controlling interest		(36)	(143)
		(1,739)	(2,277)
Total comprehensive income / (loss) attributable to:			
Equity holders of the parent		(1,563)	(2,118)
Non-controlling interest		36	(138)
		(1,527)	(2,256)
Loss per share attributable to the owners of the parent during the period ***(expressed in pence per share)***			
- Basic	3	(0.10)	(0.16)

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

	Notes	As at 30 June 2026 (Unaudited) £ 000's	As at 31 December 2025 (Audited) £ 000's
ASSETS			
Non-current assets			
Intangible assets	4	2,601	2,371
Total non-current assets		**2,601**	**2,371**
Current assets			
Trade and other receivables	5	706	1,190
Short-term investments	9	504	-
Cash and cash equivalents		1,861	635
Total current assets		**3,071**	**1,825**
TOTAL ASSETS		**5,672**	**4,196**
LIABILITIES			
Current liabilities			
Trade and other payables	6	(610)	(1,538)
Total current liabilities		**(610)**	**(1,538)**
Non-current liabilities			
Long-term payables	7	(102)	(102)
Total non-current liabilities		**(102)**	**(102)**
TOTAL LIABILITIES		**(712)**	**(1,640)**
NET ASSETS		**4,960**	**2,556**
EQUITY			
Share capital	8	-	-
Share premium		72,432	68,508
Share based payments reserve		250	250
Warrant reserve		111	111
Foreign exchange reserve		35	(113)
Retained earnings		(65,737)	(64,033)
Equity attributable to equity holders of the parent		**7,091**	**4,723**
Non-controlling interest		(2,131)	(2,167)
TOTAL EQUITY		**4,960**	**2,556**

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 30 June 2026

	Notes	As at 30 June 2026 (Unaudited) £ 000's	As at 30 June 2025 (Unaudited) £ 000's
Cash flows from operating activities			
Loss for the period	3	(1,739)	(2,277)
Non-cash loss on correction of restricted cash (Handa group)	5	774	-
Currency losses / (gains)		3	757
Fair value losses / (gains)	9	(4)	-
Unwinding of interest on Anglo receivable		-	(188)
Share of loss of associate		-	160
Equity settled transactions		1,046	843
Operating loss before changes in working capital		**80**	**(705)**
Decrease/(Increase) in trade and other receivables (i)		(77)	34
Increase / (Decrease) in trade and other payables		(928)	(281)
Net cash used in operating activities		**(925)**	**(952)**
Cash flows used in investing activities			
Additions to intangible assets	4	(227)	(1)
Additions to investments	9	(500)	-
Net cash used in investing activities		(727)	(1)
Cash flows from financing activities			
Proceeds from issue of ordinary shares net of share issue cost	8	2,878	-
Net cash generated from financing activities		**2,878**	**-**
Net increase/(decrease) in cash and cash equivalents		**1,226**	**(953)**
Cash and cash equivalents at beginning of period		635	1,635
Cash and cash equivalents at end of period		**1,861**	**682**

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

(i) The movement in trade and other receivables includes the movement in both long- and short-term receivables.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2026

	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 2025	**-**	**68,508**	**(102)**	**-**	**111**	**(57,293)**	**11,224**	**172**	**11,396**
Loss for the period	-	-	-	-	-	(2,134)	(2,134)	(143)	(2,277)
Items that may be reclassified subsequently to profit or loss:									
Currency translation differences	-	-	16	-	-		16	5	21
Total comprehensive loss for the period	**-**	**-**	**16**	**-**	**-**	**(2,134)**	**(2,118)**	**(138)**	**(2,256)**
Share capital issued net of share issue costs	-	-	-	-	-	-	-	-	-
Share based payments expense during the period	-	-	-	843	-	-	843	-	843
Effect of foreign exchange on the opening balance	-	-	(53)	-	-	-	(53)	-	(53)
Total transactions with owners, recognised directly in equity	**-**	**-**	**(53)**	**843**	**-**	**-**	**790**	**-**	**790**
As at 30 June 2025	**-**	**68,508**	**(139)**	**843**	**111**	**(59,427)**	**9,896**	**34**	**9,930**
As at 1 January 2026	**-**	**68,508**	**(113)**	**250**	**111**	**(64,033)**	**4,723**	**(2,167)**	**2,556**
Loss for the period	-	-	-	-	-	(1,703)	(1,703)	(36)	(1,739)
Items that may be reclassified subsequently to profit or loss:									
Currency translation differences	-	-	148	-	-	-	148	72	220
Total comprehensive loss for the period	**-**	**-**	**148**	**-**	**-**	**(1,703)**	**(1,555)**	**(36)**	**(1,519)**
Share capital issued net of share issue costs	-	3,924	-	-	-	-	3,924	-	3,924
Share based payments expense during the period	-	-	-	-	-	-	-	-	-
Effect of foreign exchange on the opening balance	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	(1)	(1)	-	(1)
Total transactions with owners, recognised directly in equity	**-**	**3,924**	**-**	**-**	**-**	**(1)**	**3,923**	**-**	**3,923**
As at 30 June 2026	**-**	**72,432**	**35**	**250**	**111**	**(65,737)**	**7,091**	**(2,131)**	**4,960**

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the period ended 30 June 2026

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 (IFRS) and IFRS Interpretations Committee (IFRS IC) as adopted by 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 the period fairly present the financial position, result of operations and cash flows for this period.

The Board of Directors approved these condensed consolidated interim financial statements on 18 September 2026.

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 condensed consolidated interim financial statements. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025, 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 2026 have not been audited or reviewed in accordance with the International Standard on Review Engagements (UK) 2410. 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 2025.

New accounting standards

There were no new standards, amendments or interpretations effective for the first time for periods beginning on or after 1 January 2026 that had a material effect on these condensed consolidated interim financial statements. At the date of approval of these condensed consolidated interim financial statements, there were no issued but not yet effective standards or amendments expected to have a material impact on the Group's financial statements.

Significant judgements and estimates

In preparing these condensed consolidated interim financial statements, management has exercised judgement in determining the carrying amount of the restricted Handa bank balance following restoration of access to the relevant bank accounts after the reporting date. The carrying amount reflects bank information obtained after the reporting date but before authorisation of these condensed consolidated interim financial statements. Further details are provided in Note 5.

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 these condensed consolidated interim 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, 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 2025 Annual Report and Financial Statements, a copy of which is available on the Company's website. The key financial risks are market risk, currency risk, and liquidity.

3. Loss per share

	Notes	Six Months to 30 June 2026 (Unaudited) £ 000's	Six Months to 30 June 2025 (Unaudited) £ 000's
Loss for the period		(1,739)	(2,277)
Weighted average number of ordinary shares used in calculating basic loss per share (000's)		1,824,603	1,448,108
Basic loss per share (expressed in pence)		(0.10)	(0.16)

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

4. Intangible assets

	Alvis-Crest Deferred Exploration Assets	Total
	£ 000's	£ 000's
As at 1 January 2026	2,371	2,371
Additions	227	227
Foreign exchange	3	3
As at 30 June 2026	**2,601**	**2,601**
As at 31 December 2025	2,371	2,371

5. Trade and other receivables

	Group 30 June 2026	Group 31 December 2025
	£ 000's	£ 000's
Restricted cash – Handa group (excluded from cash and cash equivalents)	**520**	1,041
Other receivables	**177**	143
Other receivables – Handa group	**9**	6
Total	**706**	1,190

Restricted cash – Handa group

Following implementation of the Settlement Agreement, as announced on 27 May 2026, the restrictions affecting the bank accounts of Handa Resources Limited ("Handa") were lifted during September 2026. Following restoration of access to the accounts, the Group obtained bank information which indicated that the balance at the date on which the Group obtained control of Handa differed from the balance reflected in the accounting records previously made available to the Group. Accordingly, the carrying amount of the restricted balance has been adjusted to reflect the information subsequently obtained, resulting in a non-cash loss of £774k recognised during the period. The closing carrying amount of £520k also reflects foreign exchange translation movements recognised during the period.

6. Trade and other payables

Trade and Other Payables	Group 30 June 2026 £ 000's	Group 31 December 2025 £ 000's
Surrendered share options payable	-	886
Deferred fees	-	240
Minority shareholder loans	53	53
Trade and other payables	557	359
	610	**1,538**

Surrendered Share Options Payable

The surrendered share options payable was 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.£1.56 million.

7. Long-term payables

Long term payables	Group 30 June 2026 £ 000's	Group 31 December 2025 £ 000's
Minority shareholder loan	102	102
	102	102

The minority shareholder loans are payable to the minority shareholder Alvis-Crest (Proprietary) Limited in the amount of BWP 1,797,430 (GBP 102k) as at 30 June 2026 (31 December 2025: BWP 1,797,430 (GBP 102k)). The loans are unsecured and loan holders have agreed to roll forward the loans until a liquidity event occurs.

8. Share capital

The authorised share capital of the Company and the called up and fully paid amounts at 30 June 2026 were as follows:

A) Authorised	£ 000's	£ 000's
Unlimited ordinary shares of no par value	-	-

B) Called up, allotted, issued and fully paid	Number of shares	Nominal value	Price per share (pence)	Gross Consideration value GBP'000
As at 1 January 2026	**1,448,108,263**			
Additions:				
24 April 2026 – placing and subscription	750,000,000	-	0.4	3,000
24 April 2026 – issued to creditors in lieu of payment	261,479,051	-	0.4	1,046
As at 30 June 2026	**2,459,587,314**			

Warrants Outstanding
As announced on 24 April 2026, the Company issued 1,011,479,051 warrants in connection with the Fundraise and Creditor Subscription, on the basis of one warrant for each new ordinary share issued. The warrants have an exercise price of 0.8 pence per ordinary share and expire on 30 April 2029.

At 30 June 2026, the Company had 1,267,567,930 warrants outstanding (31 December 2025: 256,088,879), comprising:

- 256,088,879 warrants exercisable at 3 pence; and
- 1,011,479,051 warrants exercisable at 0.8 pence.

The weighted average remaining contractual life of the warrants outstanding at 30 June 2026 was 1.5 years, and the weighted average exercise price was 1.24 pence per ordinary share.

9. Short-term investments

The Company's investments held at fair value through profit and loss consist of investments publicly traded on the London Stock Exchange. 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 2026	-	-	-	-
Additions	500	-	-	-
Fair value gain/ (loss)	4	-	-	-
Disposals	-	-	-	-
Foreign exchange	-	-	-	-
At 30 June 2026	**504**	**-**	**-**	**-**

	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	4	-	-	4
At 30 June 2026	**4**	**-**	**-**	**4**

[(i)] See note 1 (accounting policy).

Short-term investments comprise units in the JPMorgan Global Short Duration Bond Active UCITS ETF, held for treasury management purposes. The ETF invests principally in investment-grade, GBP-denominated, short-term fixed, variable and floating rate debt securities.

10. Events after the reporting date

Long-term incentive awards

As announced on 9 July 2026, the Company granted 61,000,000 Restricted Stock Units and 59,000,000 share options to certain directors and senior management. The share options have an exercise price of 0.8 pence, vest equally over three years and have a five-year term. The Restricted Stock Units are subject to performance-based vesting conditions and have a five-year term.

There were no other material events after the reporting date in addition to those disclosed in the 31 December 2025 Annual Report.

11. 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 2026 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.