RNS Number : 0547U
Arc Minerals Limited
27 June 2024

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Arc Minerals Ltd

('Arc Minerals' or the 'Company')

Financial Results for the twelve months ended 31 December 2023

Arc Minerals Limited announces its audited results for the year ended 31 December 2023 and confirms that its annual report and accounts for the period ("Annual Report") has been made available on the Company's website at http://www.arcminerals.com/investors/document-library/default.aspx.

In accordance with shareholders' agreement [(i)] to receive information electronically and in the absence of any requests submitted to the Company for information in print, the Annual Report is deemed disclosed to Shareholders through the publication on the Company's website. The Annual Report has not been distributed to shareholders in printed format.

Notice of the Company's Annual General Meeting will be announced in due course.

Market Abuse Regulation (MAR) Disclosure

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

Forward-looking Statements

This news release contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

(i) Shareholder consent to receive information electronically

At the Annual General Meeting of the Company held in September 2012, Shareholders approved electronic communication and dissemination of information via the Company's official website, including but not limited to Notices of General Meetings, Forms of Proxy and Annual Reports and Accounts. Shareholders are reminded that their right to request information in print remains unaffected and that they can do so by contacting the Company giving no less than 14 days' notice.

ENDS

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For more information, visit www.arcminerals.com.

Chairman's Statement

2023 Overview

I'm pleased to report on Arc Minerals' 2023 year-end results; a testament to our unwavering commitment and the hard work of our dedicated team.

Completion of Joint Venture with Anglo American

The financial year to 31 December 2023 was marked by a significant milestone - the satisfaction of substantive regulatory conditions precedent and the completion of our Joint Venture Agreement (JVA) with a subsidiary of Anglo American plc. I believe this partnership represents a pivotal turning point for Arc Minerals and our shareholders. I was delighted to announce that Anglo American has acquired a 70% interest in the joint venture company, while our 67%-owned subsidiary, Unico Minerals Ltd, holds a 30% stake.

The commencement of the joint venture's drilling campaign, led by our esteemed partners at Anglo American, is a source of great excitement. I extend my sincere appreciation to the administration and various government agencies of the Republic of Zambia for their tireless efforts in ensuring the necessary regulatory approvals were obtained, paving the way for this exciting collaboration.

Botswana Drilling Update

During the reporting period, we undertook our maiden scout drilling campaign in Botswana, spanning both the PL 135/2017 and PL 162/2017 prospecting licenses that make up the Virgo project, which was a resounding success. We confirmed the presence of the prospective contact geology and encountered anomalous mineralization in close proximity to the boundary of our licenses to Khoemacau, boding well for our upcoming exploration campaign.

Post Year-End Fundraising

In the face of challenging market conditions, the Board deemed it necessary to ensure the Company was adequately capitalised and able to take advantage of any potential opportunities that may arise as a scramble for copper assets kicks off worldwide. Consequently, in March 2024 we completed a placing and an offer for subscription, raising approximately £4.14 million. The Board believes this was a prudent and necessary decision to secure the cash resources required for our ongoing operations and future growth.

Outlook

The period ahead promises to be an exciting time for exploration and growth for Arc Minerals. With mobilisation for the exploration field season commencing in Zambia following the end of the rainy season, we eagerly anticipate the commencement of our joint venture core diamond drilling programme, initially targeting two identified prospects. The comprehensive 2024 work programme, including LiDAR surveys, detailed geological mapping, and further geophysical studies, will provide us with a deeper understanding of the geological context and basin geometry, paving the way for potential future discoveries.

In Botswana, the completion of the ground IP survey over copper targets in PL 135/2017 was completed in May and the results informed our first phase of a 2,000m reverse circulation drill programme, which commenced on 14 June 2024. This drill campaign, spanning eight to ten holes, will be a significant milestone in our exploration efforts within the highly prospective Central Structural Corridor of the Kalahari Copper Belt.

Furthermore, with the acceptance by the Botswanan Department of Mines of our applications to extend the licence terms of the PL135/2017 and PL162/2017 licenses, we expect to continue to explore and unlock the potential of the Virgo Project licenses for an additional two years, until 2026.

As we forge ahead, our shareholders can expect regular updates on the progress of our exploration activities, including the results of the geological studies, geophysical surveys, and, most importantly, the drilling campaigns. We remain committed to maintaining open and transparent communication, keeping you informed every step of the way.

With our strong partnerships, strategic asset portfolio, and dedicated team, we are well-positioned to navigate the challenges and capitalize on the opportunities that lie ahead. We look forward to sharing our successes and celebrating our achievements together as we continue our pursuit of discovering and developing Tier 1 copper deposits.

Looking ahead, we remain steadfast in our determination to unlock value and deliver on our strategic objectives. With the backing of our valued joint venture partner, a strong portfolio of assets, and a talented team, I am confident that we are well-positioned for continued success.

Acknowledgements

I would like to thank the management and employees of Arc who have worked tirelessly on numerous challenges over the past years, including all manner of attempts to block progress on delivering what I believe is one of the most exciting JV transactions concluded with a major mining company. The challenges in negotiating and concluding the joint venture required significant commitment from the management team, including ensuring that all requisite regulatory approvals were obtained - no mean feat. During this time over the past three years no bonuses were awarded, no share option packages put in place and the board and management sacrificed salaries being paid for over half a year.

On behalf of the entire Arc Minerals team, I also extend our heartfelt appreciation to our shareholders for their resilience and forbearance amidst a challenging macroeconomic landscape. Your unwavering trust and understanding have been a source of strength, enabling us to remain focused on our long-term goals.

Nicholas von Schirnding
Executive Chairman
26 June 2024

Consolidated Statement of Comprehensive Income for the year ended 31 December 2023

	Notes	31 December 2023 £ 000s	31 December 2022 £ 000s
Administrative expenses	3	(5,067)	(3,500)
Operating loss from continuing operations		(5,067)	(3,500)
Loss on disposal of Zamsort	4	-	(2,162)
Gain on disposal of Handa Group	14	10,933	
Distribution from subsidiaries	6	1,918	-
Share of loss from associate	13	(691)	-
Profit/(Loss) before income tax		7,093	(5,662)
Income tax expense	5	-	-
Profit/ (Loss) for the year from continuing operations		7,093	(5,662)
Loss from discontinued operations	4	(24)	(165)
Operating profit (loss)		7,069	(5,827)
Profit/ (Loss) for the year		7,069	(5,827)
Other comprehensive income:			
Item that may be subsequently reclassified to profit or loss			
Currency translation differences		45	1,959
Total comprehensive loss for the year, net of tax		7,114	(3,868)
Loss attributable to:			
Equity holders of the parent		7,078	(7,342)
Non-controlling interest		(9)	1,515
		7,069	(5,827)
Total comprehensive loss attributable to:			
Equity holders of the parent		7,111	(6,048)
Non-controlling interest		3	2,180
		7,114	(3,868)
Earnings per share attributable to owners of the parent during the year			
- Basic (pence per share)	8	0.58	(0.50)
- Diluted (pence per share)	8	0.03	-
- From continuing operations - Basic	8	0.58	(0.50)

- From continuing operations - Diluted	8	0.03	-
- From discontinued operations - Basic	8	-	(0.01)
- From discontinued operations - Diluted	8	-	-

Consolidated Statement of Financial Position as at 31 December 2023

	Notes	**31 December 2023 £ 000s**	31 December 2022 £ 000s
ASSETS			
Non-current assets			
Intangible assets	10	1,699	5,233
Fixed assets	11	-	12
Investment in Associate	13	2,458	-
Long-term receivable	15	6,531	-
Total non-current assets		10,688	5,245
Current assets			
Trade and other receivables	15	1,859	1,096
Short term investments	17	68	1,738
Cash and cash equivalents		281	616
Total current assets		2,208	3,450
TOTAL ASSETS		12,896	8,695
LIABILITIES			
Current liabilities			
Trade and other payables	19	(2,244)	(2,733)
Total current liabilities		(2,244)	(2,733)
Non-current liabilities			
Long term payables	9	(105)	(117)
TOTAL LIABILITIES		(2,349)	(2,850)
NET ASSETS		10,547	5,845
Share Capital	20	-	-
Share premium	22	64,464	64,272
Share based payment reserve	21	126	283
Warrant reserve	21	84	84
Foreign exchange reserve		(61)	1,045
Retained earnings		(54,063)	(59,196)
Equity attributable to equity holders of the parent		10,550	6,488
Non-controlling interest		(3)	(643)
TOTAL EQUITY		10,547	5,845

Consolidated Statement of Cash Flows for the year ended 31 December 2023

	Notes	**31 December 2023 £ 000s**	31 December 2022 £ 000s
Cash flows from operating activities			
Profit/(Loss) before income tax and including discontinued operations		7,069	(5,827)
Share based payment and warrants issued	21	-	27
Gain and losses on investments	17	-	2,519
Gain through profit and loss on forgiven shareholder loans		-	(6,485)
Non-cash gains and losses related to Zamsort Ltd[(i)]		-	5,517
Loss arising on deconsolidation of Zamsort		-	2,162
Non-cash gains and losses related to Handa (Anglo JV)	14	(10,933)	-
Fair value loss on investments	17	1,673	-

Distribution from subsidiary	6	(1,918)	-
Share of loss from associate	13	691	-
Gains and Losses on foreign exchange	3	476	(168)
Depreciation and amortisation	11	2	10
Net cash used in operating activities before changes in working capital		**(2,987)**	**(2,245)**
Increase in trade and other receivables (iii)	15	(20)	(1,004)
(Decrease) Increase in trade and other payables	19	743	124
Net cash used in operating activities		**(2,217)**	**(3,125)**
Cash flows from investing activities			
Purchase of intangible assets	10	(65)	(675)
Proceeds from CASA disposal		-	202
Proceeds from disposal of short term investments		-	176
Proceeds from disposal of Handa (Anglo JV)		2,863	-
Distribution to minority shareholder following Handa disposal		(945)	-
Dividends received	6		-
Net cash generated from / (used in) investing activities		**1,853**	**(297)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares - net of share issue costs (iv)	22	29	2,253
Minority shareholder loans	9	-	50
Net cash from financing activities		**29**	**2,303**
Net decrease in cash and cash equivalents		**(335)**	**(1,119)**
Cash and cash equivalents at beginning of year		616	1,735
Cash and cash equivalents at end of the year		**281**	**616**

(i) Within cash flows from operating activities in 2022 is an amount of £5.297m representing the net effect of the disposal (£6.485m non-cash gain) and derecognition (£2,102m non-cash loss) of Zamsort and the derecognition of the related foreign currency translation reserve (£914k non-cash gain).

(ii) Within cash flows from operating activities is an amount of £2.984m representing the net effect of the non-cash gain recognised on the settlement of the Casa loan Note (£1.973m), the non-cash gain recognised on the disposal of Casa Mining Ltd (£1.011m) and the non-cash loss attributable to the settlement of the Casa loan note due to remeasuring the fair value of the Tingo Inc (OTC:TMNA) stock received in settlement of the Casa loan note (see Note 15).

(iii) Within trade and other receivables in 2023 is an amount of £7.275m representing the receivables from the Anglo JV deal (See Note 15) which is a non cash movement.

(iv) Within proceeds from issue of ordinary shares is the settlement of a 163k loan through shares which is a non cash movement.

Consolidated Statement of Changes in Equity as at 31 December 2023

	Attributable to equity holders of the Company					
	Share capital	Share premium	Foreign exchange reserve	Share based payment reserve	Warrant reserve	Retained earnings
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Balance as at 1 January 2023	-	64,272	1,045	283	84	(59,196)
Profit for the year	-	-	-	-	-	7,078
Other comprehensive income(loss) for the year - currency translation differences	-	-	33	-	-	-
Total comprehensive income (loss) for the year	-	-	33	-	-	7,078
Share capital issued	-	192	-	-	-	-
Share options expired during the year	-	-	-	(157)	-	157
Share options expense during the year	-	-	-	-	-	-
Effect of foreign exchange on opening balance	-	-	-	-	-	-
Effect of Handa group disposal (see Note 4)	-	-	(1,139)	-	-	(2,102)
Total transactions with owners, recognised directly in equity	-	192	(1,139)	(157)	-	(1,945)
Balance as at 31 December 2023	-	64,464	(61)	126	84	(54,063)

	Attributable to equity holders of the Company					
	Share capital	**Share premium**	**Foreign exchange reserve**	**Share based payment reserve**	**Warrant reserve**	**Retained earnings**
	£ 000s	**£ 000s**	**£ 000s**	**£ 000s**	**£ 000s**	**£ 000s**
Balance as at 1 January 2022	**-**	**62,019**	**(1,885)**	**273**	**84**	**(53,385)**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(5,827)**
Other comprehensive income(loss) for the year - currency translation differences	**-**	**-**	**1,294**	**-**	**-**	**-**
Total comprehensive income (loss) for the year	**-**	**-**	**1,294**	**-**	**-**	**(5,827)**
Share capital issued	**-**	**2,253**	**-**	**-**	**-**	**-**
Share options expired during the year	**-**	**-**	**-**	**(16)**	**-**	**16**
Share options expense during the year	**-**	**-**	**-**	**27**	**-**	**-**
Effect of foreign exchange on opening balance	**-**	**-**	**2,550**	**(1)**	**-**	**-**
Disposal of Zamsort	**-**	**-**	**(914)**	**-**	**-**	**-**
Total transactions with owners, recognised directly in equity	**-**	**2,253**	**1,636**	**10**	**-**	**16**
Balance as at 31 December 2022	**-**	**64,272**	**1,045**	**283**	**84**	**(59,196)**

Share capital: This represents the nominal value of equity shares in issue and is nil as the shares have a nil par value.

Share premium: This represents the premium paid above the nominal value of shares in issue.

Foreign exchange reserve: This reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiaries and the retranslation of monetary items forming part of the net investment in those subsidiaries.

Share-based payments reserve: This represents the value of share-based payments provided to employees and Directors as part of their remuneration and provided to consultants and advisors hired from time to time as part of the consideration paid. The reserve represents the fair value of options and performance share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital and share premium.

Retained earnings: This represents the accumulated profits and losses since inception of the business and adjustments relating to options and warrants.

Non-Controlling Interest: This represents the Non-Controlling Interest element of Zamsort Limited and Zaco Investments Limited.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. General Information and Authorisation of Financial Statements

The Company is registered in the British Virgin Islands under the BVI Business Companies Act 2004 with registered number 1396532 and is located at Craigmuir Chambers, Road Town, Tortola. The Company's ordinary shares are traded on AIM, a market of the London Stock Exchange.

The principal activity of the Company during the year was that of a holding company for a group engaged in the identification, evaluation, acquisition and development of natural resource projects.

The Financial Statements of Arc Minerals Limited for the year ended 31 December 2023 were authorised for issue by the Board on 26 June 2024.

b. Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) as adopted by the European Union.

The consolidated financial statements have been prepared on the historical convention, as modified by the measurement to fair value of financial assets through profit and loss and held for sale assets and liabilities as described in the accounting policies below.

The financial information is presented in Pounds Sterling (£) and all values are rounded to the nearest thousand Pounds Sterling (£000's) unless otherwise stated.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated.

c. New and amended standards adopted by the Group

There were no new standards, amendments or interpretations effective for the first time for periods beginning on or after 1 January 2023 that had a material effect on the consolidated or company financial statements.

At the date of approval of these financial statements, there were no new standards or amendments to IAS which have not been applied in these financial statements which were in issue but not yet effective and are expected to have a material impact on the consolidated and company financial statements.

d. Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries made up to 31 December. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements consolidate the financial statements of Arc Minerals Limited and the audited financial statements of its subsidiary undertakings made up to 31 December 2023.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

e. Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes any goodwill identified on acquisition.

Where the ownership interest in an existing investment is increased whereby significant influence is obtained, the Group re-measures the existing investment immediately prior to obtaining significant influence with resulting gains/losses recognised immediately in profit or loss. The fair value of the existing investment added to the fair value of the consideration of the additional investment is treated as the deemed cost and is continued to be accounted for under the equity method.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements is recognised in the other comprehensive income section of the statement of comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amounts of the associate and its carrying value and recognises the amount adjacent to 'share of profit/loss of associate' in the group statement of comprehensive income.

When the Group loses significant influence over an associate, it derecognises that associate and recognises a profit or loss being the difference between the sum of the proceeds received and any retained interest, and the carrying amount of the investment in the associate at the date significant influence is lost.

Gains and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Impairment gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

When the Group gains control of an associate the fair value of the associate undertaking is then assessed with any gain or loss arising being recognised within the income statement.

f. Going Concern

The Directors have reviewed a forecast prepared for the next 18 months, 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.

g. Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of the subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition by acquisition basis; either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net asset.

Acquisition related costs are expensed as incurred.

If a business combination is achieved in stages, the acquisition date carrying value of the acquiree's previously held interest in the acquire is re-measured to fair value at the acquisition date; any gain or loss arising from such a re-measurement are recognised in profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the identifiable net assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss in the Income Statement.

Any interest of non-controlling interests in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised. There are no non- controlling shareholders of subsidiaries.

h. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board, being the Group's chief operating decision-maker ("CODM").

i. Foreign currencies

The Group presentational currency is pound sterling (GBP). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. At present the functional currency for the Zambian subsidiaries is the Zambian Kwacha ("ZMW"). The functional currency of the Botswana subsidiary is the Botswanan Pula (BWP). The functional currency for all other entities is GBP.

The presentational currency (GBP) is used primarily because the Parent Company Arc Minerals Limited is listed on the Alternative Investment Market (AIM) of the London Stock Exchange and raises its funding in GBP.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- monetary assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates during the accounting year; and
- all resulting exchange differences are recognised in other comprehensive income where material.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are taken to other comprehensive income. When a foreign operation is sold, such cumulative exchange differences are subsequently reclassified in the income statement as part of the gain or loss on sale.

j. Taxation

Tax is recognised in the consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax assets and liabilities are not discounted.

There has been no tax credit or expense for the year relating to current or deferred tax.

k. Intangible assets

Exploration and evaluation assets

Exploration and development costs are carried forward in respect of areas of interest where the consolidated entity's rights to tenure are current and where these costs are expected to be recouped through successful development and exploration, or by sale. Alternatively, these costs are carried forward while active and significant operations are continuing in relation to the areas of interest and it is too early to make reasonable assessment of the existence or otherwise of economically recoverable reserves. When the area of interest is abandoned, exploration and evaluation costs previously capitalised are impaired.

Costs incurred by the Company on behalf of its subsidiaries and associated with mining development and investment are capitalised on a project-by-project basis pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If a mining development project is successful, the related expenditures will be written-off over the estimated life (useful economic life) of the commercial ore reserves on a unit of production basis. Impairment reviews are carried out regularly by the Directors of the Company. Where a project is abandoned or is considered to be of no further commercial value, the related costs will be written off to the Statement of Comprehensive Income.

The recoverability of these costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposal of recoverable reserves.

l. Significant accounting judgements, estimates and assumptions

Critical Accounting Estimates and Judgements

The preparation of financial statements using accounting policies consistent with IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of income and expenses. The preparation of financial statements also requires the Directors to exercise judgement in the process of applying the accounting policies. Changes in estimates, assumptions and judgements can have a significant impact on the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year:

(i) Valuation of exploration, evaluation and development expenditure

The value of the Group's exploration, evaluation and development expenditure is dependent upon the success of the Group in discovering economic and recoverable mineral resources, especially in countries of operation where political, economic, legal, regulatory and social uncertainties are potential risk factors.

The future revenue flows relating to these assets are uncertain and will also be affected by competition, relative exchange rates and potential new legislation and related environmental requirements.

The Group is currently in the process of renewing its licences which expire in September 2024 and the Directors are not aware of any reason why any renewals or applications would not be granted.

The Group's ability to continue its exploration programmes and develop its projects is dependent on future fundraising, as well as the successful renewal of appropriate licensing, the outcome of which is uncertain but the directors are confident that the licences will be renewed. The ability of the Group to continue operating within its jurisdiction is dependent on a stable political environment which is uncertain. This may also impact the Group's legal title to assets held which would affect the valuation of their assets.

The Group therefore makes estimates in relation to the valuation of these assets with consideration of these factors.

There have been no changes to any past valuations.

(ii) Valuation of Casa Royalty

There are a number of key factors which affect the valuation of the Casa Royalty which has a face value of US$ 45m (GBP 40m). These include (a) development and construction timeframe; (b) appropriate discount factor; (c) availability of construction financing; (d) political stability (e) gold price and (f) ability to control timing of receipt.

Given these uncertainties the Company has elected to assign nil value to the Royalty. The Company will reassess this carrying value in future as the Misisi Project progresses along the development curve.

Further information can be found in Note 4 (d)(ii)

(iii) Sturec Resource Royalty

As disclosed in Note 16, Sturec was sold in February 2020. As part of the transaction if before November 2024, the Šturec JORC Indicated and Measured Resource exceeds 1.5 million ounces gold at a grade greater than 2.5g/t (inclusive of recoverable Ag equivalent), MetalsTech will pay Arc a further A$2 royalty per additional ounce of gold. This royalty is capped at 7 million ounces of gold or Australian dollars 11M. Because of the general uncertainty about the size of the Sturec resource and the difficulties of operating in Slovakia the Company has not recorded the royalty in the accounts.

(iv) Recoverability of the US$ 5 million receivable in respect of the Casa Sale, first reported at 31 March 2021

The Casa asset was sold during the year ended 31 March 2020 with the consideration being a mixture of cash and royalty as above. The cash element was due for payment on 19 March 2021. As reported in Note 16, the terms of the original loan note were amended. As announced on 29 April 2022, the loan note was satisfied in full.

(v) Valuation of short term investments

Short term investments comprise shares held in Asiamet Resources Ltd (AIM:ARS) and Tingo Inc (OTC:TMNA). Short term investments are measure initially, and subsequently revalued at reporting dates, at fair value through profit or loss. Similarly, changes in fair value are recognised through profit and loss. Additional information is contained in Note 17.

(vi) Investment in associate

The investment in associate arises as a result of the partial disposal of Handa Resources Limited (Handa) as a subsidiary. The investment shareholding decreased from 66% (a subsidiary) to 30% (an associate). Unico lost control in a series of five contractual arrangements that were entered into for the purposes of the Joint Venture (JV) agreement with Anglo American BV. Consequently, single transaction accounting was applied in accounting for the transaction. See Note 14 for details of this agreement). The remaining investment, after the partial disposal of Handa, was fair valued as at the date of the disposal (See Note 13) and is subsequently measured using the equity method at year end.

During 2023, the Group submitted three mining license applications as part of preparing for completion of the JV with a subsidiary of Anglo American, being 33402-HQ-LML, 33403-HQ-LML and 33404-HQ-LML over the exploration licenses 23004-HQ-LEL and 19906-HQ-LEL. All of the mining licence applications were approved and validated by the Mining Cadastre Department and, following submission of the subsequent requisite documentation, the Mines Advisory Committee (MAC) was expected to meet to review the finalised LML applications prior to issuance of the Mining Licenses.

As announced on 17 June 2024, the Mining Cadastre Department published the results of the MAC meeting pursuant to which these applications and were rejected and Zaco Investments Limited's application with respect to 23004-HQ-LEL was marked as deferred pending an information request. As the applications were validly submitted and validated by the Zambian Mining Cadastre, the Company has been advised that Handa and Zaco will be appealing the decision of the Mining Licence Committee to reject the Mining Licence Applications and are engaging with the Mining Cadastre to have the appeal heard as soon as possible so that the applications can be reinstated and/or considered positively in accordance with the law.

(vii) Regency recoverability (whilst outstanding for some time, management believes, having made reasonable enquiries, that this remains recoverable).

m. Equity

Equity comprises the following:

- "Share capital" represents the nominal value of the Ordinary shares;
- "Share Premium" represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares;
- "Share based payment reserve" represents stock options awarded by the group;
- "Warrant reserve" represents warrants granted by the group;
- "Foreign exchange reserve" represents the translation differences arising from translating the financial statement items from functional currency to presentational currency and foreign exchange differences arising on the elimination of intercompany loans forming part of the investment of subsidiaries;
- "Retained earnings" represents retained losses.
- "Non-controlling interest" represents the interests of minority shareholders in the assets and liabilities of the Group.

n. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

o. Trade and other receivables

Receivables are recognised initially at amortised cost, being their initial fair value. These are classified as loans and receivables, and so are subsequently carried at amortised cost using the effective interest method. The Directors are of the view that such items are collectible and that no provisions are required.

p. Financial instruments

(i) Classification

The Group classifies its financial assets at amortised cost and at fair value through the profit or loss or OCI. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition

(ii) Recognition and measurement

Amortised cost

Regular purchases and sales of financial assets are recognised on the trade date at cost - the date on which the Group commits to purchasing or selling the asset. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Fair value through the profit or loss

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FTVPL, are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. Fair value is determined by using market fair value gains or losses recognised in profit or loss. Fair value is determined by using market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)

- Level 2: Observable direct or indirect inputs other than Level 1 inputs

- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Listed investments are valued at closing bid price on 31 December 2023. For measurement purposes, financial investments are designated at fair value through the income statement. Gains and losses on the realisation of investments are recognised in the income statement for the period. The difference between the market value of financial instruments and book value to the Company is shown as a gain or loss in the income statement for the period.

(iii) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original Effective Interest Rate ("EIR"). The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(iv) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. This is the same treatment for a financial asset measured at FVTPL.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables

After initial recognition, trade and other payables are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is require or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

q. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset at 25% on a straight-line basis.

All assets are subject to annual impairment reviews.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replacement part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

The asset's residual value and useful economic lives are reviewed, and adjusted if appropriate, at

The asset's residual value and useful economic lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying value is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

r. Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. This is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, and the asset's value in use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, it is considered impaired and is written down to its recoverable amount.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset, unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Comprehensive Income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

s. Share-based payments

The Group provides benefits to senior personnel, consultants and advisors of the Group in the form of share-based payments, whereby such parties render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with such parties is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Arc Minerals Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant party become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired, and;

(ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met, as the effect of these conditions is included in the determination of fair value at grant date. The charge to the Income Statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

Upon expiry, the associated portion of the share option reserve is derecognised and recorded against retained losses.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings/ (loss) per share.

t. Earnings per share

Basic EPS is calculated as profit attributable to equity holders of the parent for the period, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element. Fully-diluted EPS adjusts Basic EPS to reflect the impact if all share purchase warrants and options were exercised.

u. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services, and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2. Segmental analysis

Segment information has been determined based on the information reviewed by the Board for the purposes of allocating resources and assessing performance. No revenue is currently being generated.

Head office activities are administrative in nature whilst the activities in Zambia and Botswana relate to exploration and development work.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocate on a reasonable basis.

31 December 2023	BVI £ 000's	Zambia £ 000's	Botswana £ 000's	**Total £ 000's**
Result				
Gain / (loss) from continuing operations	4,395	2,735	(37)	7,093
Gain / (loss) before Income Tax	4,395	2,735	(37)	7,093
Other information				
Non-controlling interest	-	-	3	3
	-	-	3	3
Assets				
Non-current Assets	-	8,989	1,699	10,688
Investments at fair value through profit and loss	68	-	-	68
[illegible]	[illegible]		[illegible]	[illegible]

Current assets excluding cash and cash equivalents	1,858	-	1	1,859
Cash and equivalents	279	-	2	281
Consolidated total assets	2,205	8,989	1,702	12,896
	-	-	-	-
Liabilities				
Non-current liabilities	-	-	(105)	(105)
Current liabilities	(2,241)	-	(3)	(2,244)
Consolidated total liabilities	(2,241)	-	(108)	(2,349)

31 December 2022	BVI £ 000's	Zambia £ 000's	Botswana £ 000's	**Total** **£ 000's**
Result				
Loss / (Gain) from continuing operations	10,218	(4,564)	8	5,662
Loss before Income Tax	10,218	(4,564)	8	5,662
Other information				
Non-controlling interest	-	577	66	643
	-	577	66	643
Assets	-	-	-	-
Non-current Assets	302	3,275	1,669	5,245
Investments at fair value through profit and loss	1,738	-	-	1,738
Current assets excluding cash and cash equivalents	1,064	8	24	1,096
Cash and equivalents	593	6	17	**616**
Consolidated total assets	3,697	3,289	1,710	8,696
	-	-	-	-
Liabilities				
Non-current liabilities	-	-	117	117
Current liabilities	1,442	1,279	12	2,733
Consolidated total liabilities	1,442	1,279	129	2,850

3. Expenses by nature

	Note	**31 Dec 2023** **£ 000's**	31 Dec 2022 **£ 000's**
Directors' fees	7	**1,538**	**685**
Office expenses		**121**	**114**
Travel and subsistence expenses		**46**	**25**
Professional fees - legal, consulting, exploration		**1,006**	**787**
AIM related costs including Public Relations		**204**	**151**
Auditor's remuneration - audit		**50**	**117**
Stock option expense		**-**	**27**
Fair value loss on investments	17	**1,673**	**2,519**
Loss on disposal of Zamsort		**-**	**5,517**
Zamsort gain on forgiven shareholder loan		**-**	**(6,485)**
Other expenses		**(82)**	**201**
Zamsort administration costs		**-**	**3**
Alvis-Crest administration costs		**37**	**7**
Gains and losses on foreign exchange		**474**	**(168)**
Total operating expenses		**5,067**	**3,500**

Auditors Remuneration

During the year, the Group obtained the following services from the Company's auditor:

	31 Dec 2023 **£ 000's**	**31 Dec 2022** **£ 000's**
Fees payable to the auditor for the audit of the consolidated financial statements - current financial year	**50**	**60**
Fees payable to the auditor for the audit of the consolidated financial statements - prior financial year (not accrued in prior year)	**-**	**54**
Fees payable to the auditor for the audit of subsidiaries for component audits - current year)	**-**	**3**
Total	**50**	**117**

Employee information

The average number of persons employed in the Group through payroll was nil (2022 - nil) at a cost of nil (2022 - nil). See note 7 for details of key management remuneration.

4. Disposals of held for sale assets and Zamsort subsidiary

Handa Disposal as part of Anglo Joint Venture

On 12 May 2022 the Company announced that it, together with its partners, had entered into an agreement with Anglo American with the intention to form a joint venture in respect of its Zambian copper interests. The key commercial terms of the Joint Venture were that, upon signing of a binding Joint Venture Agreement ("JV Agreement"), Anglo American would have an initial ownership interest of 70% with Arc and its partners holding the balance via Unico Minerals Ltd ("Unico") in which Arc will have a 67% interest with the balance held by its partners. On 20 April 2023, the JV Agreement was signed subject to completing certain conditions precedent including a restructuring of the Group's assets, obtaining approvals from relevant government and regulatory authorities and other customary conditions. On 10 November 2023 (the Effective Date), the Company satisfied the Conditions Precedent (see Note 14).

The related financial information is set out below:

a) Results of disposal group prior to disposal

	Nov 2023 Handa Group	Dec 2022 Handa Group
	£ 000's	£ 000's
Administrative Expenses	(24)	(165)
Loss before income tax	(24)	(165)
Income tax	-	-
Loss after tax	(24)	(165)
Loss from discontinued operations	(24)	(165)
Other comprehensive income from discontinued operations	-	-

b) Cash flows of disposal group prior to disposal

	Nov 2023 Handa Group	Nov 2023 Total
	£ 000's	£ 000's
Operating activities	(177)	(177)
Investing activities	-	-
Financing activities	172	172
Cash used	(5)	(5)

c) Assets and liabilities of disposal group [(i)]

	Nov 2023 Handa Group	Nov 2023 Total
	£ 000's	£ 000's
Intangible assets	2,406	2,406
Investment in subsidiary	219	219
Fixed assets	4	4
Trade and other receivables	401	401
Long-term payables	(223)	(223)
Total	**2,807**	**2,807**

d) Disposal group on 10 November 2023

	Nov 2023 Handa Group	Nov 2023 Total
	£ 000's	£ 000's
Assets	3,030	3,030
Liabilities	(223)	(223)
Net Asset Value on 10 November 2023	**2,807**	**2,807**

Zamsort Settlement

As announced in February 2022, the Company announced that the parties to the legal cases in Zambia and in the UK have come to an agreement to settle various disputed matters and for all legal proceedings to be permanently dropped (the "Settlement Agreement"). The Settlement Agreement was submitted to Zambian courts to effect a Consent Judgement which has the force of law.

In return for the claimant parties, being Terra Metals Limited, Zambia Mineral Exchange Corporation Limited and their related parties (Mumena Mushinge, Brian Chisala and Katambi Bulawayo), relinquishing all claims against Zamsort or any other company in the Arc Minerals Ltd Group, present or contingent, and in full and final settlement of all claims in formal conclusion of all matters, the Group agreed to transfer to the claimant parties, for nil consideration, 100% of the issued share capital of Zamsort Ltd (the "Zamsort Transfer"), which owns the pilot plant. The Group also agreed to consent to the claimant parties applying for the 8 square kilometre small mining and small exploration license areas that were previously in existence at Zamsort prior to Arc's involvement (the "Original Zamsort License Area").

The pilot plant, related equipment and intangible assets that relate to the Original Zamsort License Area have remained in Zamsort and all other assets and liabilities of Zamsort immediately preceding the date of the Zamsort Transfer (the "Assets and Liabilities transferred to Handa subsidiary") were transferred to Handa Resources Ltd. The total loss on the transfer of Zamsort was £4.67m.

All of the Group's representative directors who served on the board of directors of Zamsort resigned effective 1 April 2022.

The related financial information is set out below:

a) Results of disposal group prior to disposal

	Dec 2022 Zamsort £ 000's	Dec 2022 Total £ 000's
Administrative Expenses	2,519	2,519
Loss before income tax	2,519	2,519
Income tax	-	-
Loss after tax	2,519	2,519
Loss from discontinued operations	-	-
Other comprehensive income from discontinued operations	-	-

b) Cash flows of disposal Group prior to disposal

	Dec 2022 Zamsort £ 000's	Dec 2022 Total £ 000's
Operating activities	2,768	2,768
Investing activities	-	-
Financing activities	-	-
Cash used	2,768	2,768

c) Assets and liabilities of disposal Group (i)

Assets classified as held for sale (2022)

	Dec 2022 Zamsort £ 000's	Dec 2022 Total £ 000's
Intangible assets	-	-
Property, plant and equipment	-	-
Inventory	-	-
Total	-	-

d) Zamsort subsidiary disposal on 31 March 2022

	Mar 2022 Zamsort	Mar 2022 Consolidated

	£ 000's	£ 000's
Zamsort Assets	3,404	3,404
Zamsort Liabilities	(3)	(3)
Zamsort Net Asset Value	**3,401**	**3,401**
Derecognised on disposal of Zamsort subsidiary	(3,300)	(3,300)
Net Asset Value on 31 March 2022 (transferred to Handa)	**101**	**101**

5. Taxation

	31 Dec 2023 £'000	**31 Dec 2022 £'000**
Current income tax charge	-	-
Deferred tax charge/ (credit)	-	-
Total taxation charge/ (credit)	-	-

Taxation reconciliation

The charge for the year can be reconciled to the loss per the consolidated statement of comprehensive income:

	31 Dec 2023 £'000	**31 Dec 2022 £'000**
(Income)/Loss before income tax	**(7,093)**	**5,827**
Tax on (income)/ loss at the weighted average Corporate tax rate of 25.20% (Dec 2022: 0.96%)	(697)	101
Effects of:	-	-
Permanent differences	-	-
Tax losses carried forward	697	(101)
Losses not subject to corporation tax		
Total income tax expense	-	-

The weighted average applicable tax rate of 25.20% (2022: 0.96%) used is a combination of the 0% corporation tax in the BVI (2022:0%), 30% corporation tax in Zambia (2022: 30%) and 22% corporation tax in Botswana (2022: 22%).

A deferred tax asset has not been provided for in accordance with IAS 12 due to uncertainty as to when profits will be generated against which to relieve any such asset. The Group does not have a material deferred tax liability at the year end.

The tax rate used is the weighted average rate of the British Virgin Islands, the Republic of Botswana and the Republic of Zambia (up to the date of the disposal of the Zambian subsidiaries). Unused tax losses available in Botswana approximate BWP 761k at 31 December 2023 (31 December 2022 - BWP 127k), being approximately GBP 45k (31 December 2022 - £8k).

6. Dividends

Unico declared dividends of £2,863k of which 67% (£1,918) was distributed to the Company on 10 November 2023 (31 December 2022: nil). The net difference of £945k was the distribution to the minority shareholders.

7. Key management remuneration

	31 Dec 2023 £ 000's	31 Dec 2022 £ 000's
Key management remuneration	**1,501**	**848**

31 December 2023	Short term benefits £ 000's	Bonus paid(iv) £ 000's	Share based payments £ 000's	**Total £ 000's**
Executive Directors				
Nicholas von Schirnding	309	225	-	**534**
Rémy Welschinger *(1 Jan 2023 to 31 Oct 2023)*	194	171	-	**365**
Non-Executive Directors				
Brian McMaster	48	24	-	**72**
Valentine Chitalu	48	24	-	**72**
Rémy Welschinger *(1 Nov 2023 to 31 Dec 2023)(i)*	39	-	-	**39**
Caleb Mulenga *(1 Jan 2023 to 27 Mar 2023)(ii)*	12	-	-	**12**
Key Management Personnel				
Ian Lynch (CFO) *(1 Nov 2023 to 31 Dec 2023)(iii)*	22	101	-	**123**
Vassilios Carellas (COO)	164	120	-	**284**

Vassilios Carellas (COO)	164	120	-	284
	836	665	-	**1,501**

(i) Includes £30k paid in lieu of contractual notice with respect to R Welschinger's former office as Finance Director.

(ii) C Mulenga resigned effective 27 March 2023.

(iii) I Lynch was appointed to the office of Chief Financial Officer in November 2023.

(iv) This represents 50% of bonuses declared during the year. The remaining 50% was declared on a deferred basis and will be payable in 2024 in cash or in shares at the discretion of Management.

31 December 2022	Short term benefits £ 000's	Bonus paid £ 000's	Share based payments £ 000's	**Total £ 000's**
Executive Directors				
Nicholas von Schirnding	308	-	-	**308**
Rémy Welschinger	233	-	-	**233**
Non-Executive Directors				
Brian McMaster	48	-	-	**48**
Caleb Mulenga	48	-	-	**48**
Valentine Chitalu	48	-	-	**48**
Key Management Personnel				
Vassilios Carellas (COO)	163	-	-	**163**
	848	-	-	**848**

8. Earnings per share

The calculation of Earnings per share is based on the loss attributable to equity holders divided by the weighted average number of shares in issue during the year.

	31 Dec 2023 £ 000's	31 Dec 2022 £ 000's
Gain/(Loss) Gain	**7,069**	**(5,827)**
Weighted average number of ordinary shares (000s)	**1,226,801**	**1,173,115**
Potential diluted weighted average number of shares (000s)	**21,975 198**	**-**
Basic earnings per share (expressed in pence)	**0.58**	**(0.50)**
Net Profit (loss) per share continuing operations - Basic	**0.58**	**(0.50)**
Net Profit (loss) per share continuing operations - Basic	**0.58**	**(0.50)**
Net Profit (loss) per share continuing operations - Diluted (i)	**0.03**	**-**
Net Profit (loss) per share discontinued operations - Basic	**-**	**(0.01)**
Net Profit (loss) per share discontinued operations - Diluted (i)	**-**	**-**

(i) Due to the loss in 2022, the effect of options and warrants in calculating a diluted loss per share would be anti-dilutive and was therefore not calculated.

9. Long term payables

	31 Dec 2023 £ 000's	31 Dec 2022 £ 000's
Minority shareholder loans	**105**	117
	105	117

(i) The minority shareholder loans are payable to the minority shareholder Alvis-Crest (Proprietary) Limited in the amount of USD 134k, as at 31 December 2023 (31 December 2022: USD 141k). The loans are unsecured and loan holders have agreed to roll forward the loans until a liquidity event occurs.

(ii) The minority shareholder loans rank equally with Arc's working capital loan to Alvis-Crest of USD 897k (31 December 2022: USD 861k), which is eliminated on consolidation. The loans are unsecured and loan holders have agreed to roll forward the loans until a liquidity event occurs.

10. Intangible assets

10. Intangible assets

	Deferred Exploration		Prospecting and exploration rights	Other Intangible Assets	Total
	Zaco	Handa	Alvis-Crest		
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
At 1 Jan 2023	1,103	2,162	1,312	656	5,233
Additions	9	-	-	56	65
Transfer of intangibles	-	-	-	-	-
Disposal of Handa Group	(729)	(1,683)	-	(301)	(2,713)
Currency gain/(loss)	(383)	(479)	-	(24)	(886)
Net book value as at 31 Dec 2023	-	-	1,312	387	1,699

	Deferred Exploration		Prospecting and exploration rights	Other Intangible Assets	Other Intangible Assets	Total
	Zaco	Handa	Alvis-Crest			
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Cost						
At 1 Jan 2022	**955**	**-**	**2,035**	**1,312**	**188**	**4,490**
Additions	123	-	-	-	552	675
Transfer of intangibles	-	1,960	(1,960)	-	-	-
Zamsort derecognition	-	-	(852)	-	-	(852)
Currency gain/(loss)	25	202	777	-	(84)	920
Net book value as at 31 Dec 2022	1,103	2,162	-	1,312	656	5,233

The Group's Intangible assets are comprised of evaluation and exploration expenditures in respect of the licences in Zambia and Botswana. Other Intangible Assets include exploration expenditures incurred and assets disposed by the Group in relation to Zambia and Botswana.

Exploration projects in Zambia and Botswana are at an early stage of development and there are no JORC (Joint Ore Reserves Committee) or non-JORC compliant resource estimates available to enable value in use calculations to be prepared.

The Group is currently in the process of renewing its licences which expire in September 2024 and the Directors are not aware of any reason why any renewals or applications would not be granted.

The Directors have undertaken a review to assess whether circumstances exist which could indicate the existence of impairment as follows:

- The Group no longer has title to mineral leases.
- A decision has been taken by the Board to discontinue exploration due to the absence of a commercial level of reserves.
- Sufficient data exists to indicate that the costs incurred will not be fully recovered from future development and participation.

Following their assessment, the Directors concluded that no impairment indicators exist which would require a formal impairment assessment and therefore that no impairment has been recognised.

11. Fixed Assets

	Processing Plant	Mining Equipment	Motor Vehicles	Furniture & Fittings	Total
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Cost					
At 1 Jan 2022	-	-	**86**	**33**	**119**
Zamsort derecognition	-	-	(40)	(31)	(71)
Disposals	-	-	-	-	-
Additions	-	-	-	-	-
Foreign exchange	-	-	(11)	-	(11)
At 31 Dec 2022	-	-	37	2	39
At 1 Jan 2023	-	-	**37**	**2**	**39**
Disposals	-	-	(25)	(2)	(27)
Additions	-	-	-	-	-
Foreign exchange	-	-	-	-	-

Foreign exchange	-	-	-	-	-
At 31 Dec 2023	-	-	12	-	12
Accumulated Depreciation					
At 1 Jan 2022	-	-	(66)	(31)	(97)
Disposals	-	-	-	-	-
Zamsort transfer	-	-	40	30	70
Depreciation	-	-	(9)	-	(9)
Reclassification of fixed assets to held for sale assets	-	-	-	-	-
Foreign exchange	-	-	9	-	9
At 31 Dec 2022	-	-	(26)	(1)	(27)
At 1 Jan 2023	-	-	(26)	(1)	(27)
Disposals	-	-	16	1	17
Zamsort transfer	-	-	-	-	-
Depreciation	-	-	(2)	-	(2)
Reclassification of fixed assets to held for sale assets	-	-	-	-	-
Foreign exchange	-	-	-	-	-
At 31 Dec 2023	-	-	(12)	-	(12)
Net book value - 31 Dec 2022	-	-	11	1	12
Net book value - 31 Dec 2023	-	-	-	-	-

12. Investment in subsidiary and associate companies

At 31 December 2023, the Company held interests in the share capital of the following subsidiary and associate companies.

Company	Place of Business	Ownership Held (%)	Direct/ Indirect Ownership	Nature of business
Alvis-Crest (Proprietary) Limited	Republic of Botswana	75%	**Direct**	Mineral Exploration
Unico Minerals Limited	British Virgin Islands	67%	**Direct**	Holding Company
Handa Resources Limited	Republic of Zambia	30%	**Indirect**	Mineral Exploration

Unico Minerals Limited registered office at Berkley Square House, Berkley Square, London, W1J 6BD, United Kingdom.

Handa Resources Limited registered office at Plot No. 1266, Haile Selassie Avenue, Longacres, Lusaka, Zambia - Handa was a subsidiary of the Company until it was disposed as part of the joint venture agreement to Anglo American Exploration BV - see Note 14.

Alvis Crest (Proprietary) Limited is registered at Desert Secretarial Services (Pty) Limited, Plot 64518, Deloitte House, Fairground, PO Box 211008, Bontleng, Gaborone, Botswana.

The non-controlling interest shown within the primary statement arises as a result of the Group owning less than 100% of a subsidiary company.

13. Investment in Associate

	Handa Group £ 000's
At acquisition fair value of associate at 10 Nov 2023 (Note 14)	3,149
Share of profits and losses	(691)
At 31 Dec 2023	2,458

The Investment in Associate comprises of the investment in Handa Resources Limited (Group), being the vehicle for the joint venture with Anglo American BV ("Anglo"), which was acquired on 10 November 2023 following satisfaction of all conditions precedent. Details of the joint venture are set out in Note 14.

Anglo's accounting policy requires exploration expenditure to be expensed through profit and loss. As such, the share of losses includes the Group's share of exploration expenditure incurred during the period 11 November 2023 to 31 December 2023.

During 2023, the Group submitted three mining license applications as part of preparing for completion of the JV with a subsidiary of Anglo American, being 33402-HQ-LML, 33403-HQ-LML and 33404-HQ-LML over the exploration licenses 23004-HQ-LEL and 19906-HQ-LEL. All of the mining licence applications were approved and validated by the Mining Cadastre Department and, following submission of the subsequent requisite documentation, the Mines Advisory Committee (MAC) was expected to meet to review the finalised LML applications prior to issuance of the Mining Licenses.

As announced on 17 June 2024, the Mining Cadastre Department published the results of the MAC meeting pursuant to which these applications and were rejected and Zaco Investments Limited's application with respect to 23004-HQ-LEL was marked as deferred pending an information request. As the applications were validly submitted and validated by the Zambian Mining Cadastre, the Company has been advised that Handa and Zaco will be appealing the decision of the Mining Licence Committee to reject the Mining Licence Applications and are engaging with the Mining Cadastre to have the appeal heard as soon as possible so that the applications can be reinstated and/or considered positively in accordance with the law.

With the exception of the licence mentioned above, none of the Company's other licences were affected by the recent Mining Licence Committee Meeting review and Anglo continued to mobilise for the planned exploration activities.

14. Joint Venture Agreement with Anglo American

On 12 May 2022 the Company announced that it, together with its partners, had entered into an agreement with Anglo American with the intention to form a joint venture in respect of its Zambian copper interests. The key commercial terms of the Joint Venture were that, upon signing of a binding Joint Venture Agreement ("JV Agreement"), Anglo American would have an initial ownership interest of 70% with Arc and its partners holding the balance via Unico Minerals Ltd ("Unico") in which Arc will have a 67% interest. On 20 April 2023, the JV Agreement was signed subject to completing certain conditions precedent including a restructuring of the Group's assets, obtaining approvals from relevant government and regulatory authorities and other customary conditions. On 10 November 2023 (the "Effective Date"), the Company announced that it had satisfied the conditions precedent. The key commercial terms of the Joint Venture are as follows:

Handa Resources Limited - the Joint Venture vehicle - was reconstituted to reflect the initial ownership interests of Anglo American and Unico of 70% and 30%, respectively ("Initial Ownership Interests");

- Anglo American has the right to retain an Ownership Interest of 51%, by:

  funding exploration expenditures equal to USD 24,000,000 on or before the date that is 180 days after the third anniversary of the Effective Date ("Phase I End Date"); and making cash payments to Unico totalling up to USD 14,500,000, as follows:

- USD 3,500,000, which was received on 13 November 2023;
- The balance receivable of USD 11M becomes due as follows:
  - USD 1,000,000 on the first anniversary of the Effective Date;
  - USD 1,000,000 on the second anniversary of the Effective Date;
  - USD 1,000,000 on the third anniversary of the Effective Date; and
  - USD 8,000,000 by the Phase I End Date.

Following the completion of Phase I, Anglo American will have the right to retain an additional ownership interest equal to 9% (for a total ownership interest of 60%) by funding USD 20,000,000 of additional exploration expenditures within 2 years of the Phase I End Date ("Phase II End Date")

Following the completion of Phase II, Anglo American will have the right to retain an additional ownership interest equal to 10% (for a total ownership interest of 70%) by funding USD 30,000,000 within 2 years of the Phase II End Date ("Phase III End Date").

During the period up to the Phase III End Date, 30% of the total funds contributed by Anglo will be deemed to have been contributed by Unico Minerals Limited ("Deemed Contribution"). The Deemed Contribution has not yet been recognised in the accounts of Handa Resources Limited at 31 December 2023.

Anglo American, for as long as it holds the largest interest in the Joint Venture, shall have the right to nominate three directors and Unico shall have the right to nominate two directors. Joint Venture board decisions shall be adopted by simple majority vote.

Details of the group's gain on disposal of the Zaco and Handa subsidiaries is as follows:

	Group 31 Dec 2023 £ 000's
Total Proceeds	**10,497**
Net Asset Value of Zaco	
Retained Earnings	225
Share Capital	(219)
Share Premium	(990)
Profit for the year	34
	(951)
Unico's 72.5% share of the Net Asset Value	**(690)**
Net Asset Value of Handa	
Retained Earnings	132
Share Capital	(172)
Share Premium	(1,818)
Profit for the year	0
Consideration	(1,858)
Arc's 66% share of the Net Asset Value	**(1,226)**
Fair value uplift on recognition of the Handa JV	**2,352**
Group gain on disposal of subsidiaries	**10,933**

Following the transaction with Anglo, the group's interest in Handa reduced to 30% and as part of the disposal accounting, the directors assessed that their interest in Handa would be accounted for an investment in associate and the value of the investment amounted to £3.149m that they have deemed on recognition.

15. Receivables

Long-term receivables	**Group 31 Dec 2023 £ 000's**	Group 31 Dec 2022 £ 000's
Receivable - Anglo JV (USD 8.33M)	**6,531**	-
Total	**6,531**	-

Trade and other receivables	**Group 31 Dec 2023 £ 000's**	Group 31 Dec 2022 £ 000's
Receivable - Anglo JV (USD 948k)	**744**	63
Receivable - Casa Sale (USD 1.25M)	**982**	1,033
Other Receivables	**121**	-
Prepayments	**12**	-
Total	**1,859**	1,096

Receivable - Anglo JV

The £744k is due in November 2024, being the sterling equivalent of the net present value of USD 1M receivable upon the first anniversary of the Effective Date of the Anglo JV. A long-term receivable component of £6.531M has been recognised, representing the net present value of the remaining USD 10M proceeds arising from the Anglo JV agreement by the Phase I End Date. The total proceeds had a nominal value of USD 14.5M and was discounted at a rate of 5.5% and a USD/GBP exchange rate of £ 0.81. See Note 14 for details of amounts receivable pursuant to the joint venture agreement with Anglo American.

Receivable - Casa Sale

Included in receivables at 31 December 2023 is £982k (USD 1.25M) (2022: £1.033M (USD1.25M)) to reflect the overdue Consideration Shares due to Arc in relation to the disposal of Casa Mining Limited:

As announced on 29 April 2022, Regency Mining Ltd ("Regency") acquired a 73.5% interest in the Misisi gold project ("Misisi Project") from Golden Square Equity Partners Limited ("Golden Square"), replacing Rackla Metals Inc. as the acquiror of Misisi. The terms of the transaction were that Arc would be paid USD 250,000 in cash and the equivalent of USD 1,250,000 in shares in a publicly listed company in Canada ("Consideration Shares"). The agreement also provided Arc with a royalty agreement on the same terms as the previous royalty agreement announced on 5 May 2021.

On 30 June, the Company received the first cash payment of USD 125,000 towards the USD 1,500,000 receivable from the disposal of its Casa interests. On 12 September, the Company received the second cash payment of USD 125,000, bringing the aggregate cash payments received by the Company to date to USD 250,000. The balance of USD 1,250,000 is to be settled by the issuance of listed stock which has been delayed due to corresponding delays in the listing process of the underlying entity. Management continues to follow up on progress and the directors consider the balance recoverable.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

Current trade and other receivables	Group 31 Dec 2023 £ 000's	Group 31 Dec 2022 £ 000's
UK Pounds	132	31
US Dollars	1,726	1,033
Zambian Kwacha	-	8
Botswana Pula	1	24
Total	1,859	1,096

16. Royalties

Net Smelter Royalty - Casa Mining Ltd

On 18 March 2020 the Company announced the sale of its shareholding in Casa Mining Limited in return for a USD 5,000,000 interest-free note originally payable on 19 March 2021 and a 3% Royalty calculated on net smelter production capped at USD 45,000,000. The USD 5m loan note was subsequently extended and, as announced in the RNS dated 29 April 2022, satisfied in full.

There were a number of key factors which affect the valuation of the Casa Royalty which has a face value of USD 45,000,000. These include (a) development and construction timeframe; (b) appropriate discount factor; (c) availability of construction financing; (d) political stability and (e) gold price.

Given these uncertainties the Company has elected to assign nil value to the Royalty. The Company will reassess this carrying value in future as the Misisi Project progresses along the development curve.

Resource Royalty - Sturec

On 18 March 2020 the Company announced the sale of its shareholding in Casa Mining Limited in return for a USD 5,000,000 interest-free note originally payable on 19 March 2021 and a 3% Royalty calculated on net smelter production capped at USD 45,000,000. The USD 5m loan note was subsequently extended and, as announced in the RNS dated 29 April 2022, satisfied in full.

announced in the RNS dated 25 April 2022, satisfied in full.

Sturec was sold in February 2020. As part of the transaction if before November 2024, the Šturec JORC Indicated and Measured Resource exceeds 1.5 million ounces gold at a grade greater than 2.5g/t (inclusive of recoverable Ag equivalent), MetalsTech will pay Arc a further AUD 2 royalty per additional ounce of gold. This royalty is capped at 7 million ounces of gold or AUD 11M. Because of the general uncertainty about the size of the Sturec resource and the difficulties of operating in Slovakia the Company has not recorded the royalty in the accounts.

17. 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 year end.

	Level 1 £ 000's	Level 2 £ 000's	Level 3 £ 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)**

The fair value Agri-Fintech Holdings Inc. (TMNA), formerly Tingo Inc., declined significantly in 2023. The fair value losses recognised represent the decline in value. Amid widely publicised FBI and SEC investigations, TMNA announced its intention to liquidate in the fourth quarter of 2023. Following this announcement, the investment was impaired in full. The Company continues to monitor developments.

	Level 1 £ 000's	Level 2 £ 000's	Level 3 £ 000's	Total £ 000's
At 1 January 2022	**-**	**-**	**-**	**-**
Additions	6,406	-	-	6,406
Fair value changes	(4,685)	-	-	(4,685)
Gain/ (Loss) on disposals	(25)	-	-	(25)
Disposals	(176)			(176)
Foreign exchange	218	-	-	218
At 31 December 2022	**1,738**	**-**	**-**	**1,738**

	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	(4,685)	-	-	(4,685)
Realised loss on disposal of investments	(25)	-	-	(25)
At 31 December 2022	**(4,710)**	**-**	**-**	**(4,710)**

18. Zamsort/Handa Restructuring

Zamsort Settlement (background)

The Company announced in February 2022 that the parties to the legal cases in Zambia and in the UK have come to an agreement to settle various disputed matters and for all legal proceedings to be permanently dropped (the "Settlement Agreement"). The Settlement Agreement was submitted to Zambian courts to effect a Consent Judgement which has the force of law.

In return for the claimant parties, being Terra Metals Limited, Zambia Mineral Exchange Corporation Limited and their related parties (Mumena Mushinge, Brian Chisala and Katambi Bulawayo), relinquishing all claims against Zamsort or any other company in the Arc Minerals Ltd Group, present or contingent, and in full and final settlement of all claims in formal conclusion of all matters, the Group agreed to transfer to the claimant parties, for nil consideration, 100% of the issued share capital of Zamsort Ltd (the "Zamsort Transfer"), which owns the pilot plant. The Group also agreed to consent to the claimant parties applying for the 8 square kilometre small mining and small exploration license areas that were previously in existence at Zamsort prior to Arc's involvement (the "Original Zamsort License Area").

As announced on 31 March 2022, the Company issued 3,000,000 options in relation to the Zamsort Settlement with an exercise price of 5 pence each and an expiry date of 31 March 2024. Following the grant of these options there were 20,133,334 share options outstanding.

All of the Group's representative directors who served on the board of directors of Zamsort resigned effective 1 April 2022 ("Resignation Date").

Transfer of assets and liabilities from Zamsort to Handa

The pilot plant, related equipment and intangible assets that relate to the Original Zamsort License Area which remained in Zamsort ("Zamsort Retained Assets") was treated as available for sale assets at 31 December 2021. All assets and liabilities, other than the Zamsort Retained Assets, immediately preceding the date of the Zamsort Transfer (the "Transferred Assets & Liabilities") were transferred to Handa Resources Ltd ("Zamsort/Handa Restructuring"). The Zamsort/Handa Restructuring has been recorded on 31 March 2022, being the date immediately preceding the Resignation Date and resulted in a c.£6.8m expense in the year to 31 December 2023. Handa was subsequently sold to Anglo American Exploration BV as part of the joint venture agreement - refer to Note 14.

19. Trade and other payables

Included in trade and other payables are the following:

Current trade and other payables	**Group 31 Dec 2023 £ 000's**	Group 31 Dec 2022 £ 000's
Surrendered share options payable	**1,181**	1,181
Minority shareholder loans	**47**	1,271
Trade payables, other payables and accruals	**1,016**	281
	2,244	2,733

20. Share capital

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

Called up, allotted, issued and fully paid	Number of shares	Nominal value	Average price per share (pence)	Gross Consideration value GBP'000
As at 1 January 2022	**1,150,519,886**			**6,499**
Issued to creditors in lieu of payment	1,200,000	-	3.30	40
Issued pursuant to warrant exercises	74,024,896	-	2.25-3.00	2,213
As at 31 December 2022	1,225,744,782			8,752
As at 1 January 2023	1,225,744,782			8,752
Issued to creditors in lieu of payment	5,593,099	-	2.932	164
Issued pursuant to warrant exercises	980,584	-	2.9	28
As at 31 December 2023	1,232,318,465			8,944

Share issue costs in the amount of £nil (31 December 2022 - £nil) were incurred in the year and set off against the share premium account.

21. Share based payments and Warrants

Share Options

During the year the following share options were issued and valued using the Black Scholes method:

	Weighted Avg Price (pence)	**Number**	**Exercise Price (pence)**	**Share price at grant (pence)**	**Weighted Avg Term (years)**	**Value (000s) ****
1 January 2022	**3.69**	**17,833,334**			**1.83**	**273**
Expired		(700,000)	-	-	-	(17)
Prior year adjustments		-	-	-	-	-
Exercised during the year		-	-	-	-	-
Granted		3,000,000	5.00	3.60	1.25	27
31 December 2022	**3.85**	**20,133,334**			**0.95**	**283**
1 January 2023	**3.85**	**20,133,334**			**1.83**	**283**
Expired		(11,200,000)	-	-	-	(157)
Prior year adjustments		-	-	-	-	-
Exercised during the year		-	-	-	-	-

Granted		-	-	-	-	-
31 December 2023	**4.56**	**8,933,334**	**-**	**-**	**0.52**	**126**

No options are/were subject to vesting conditions.

Options can be settled in cash and are typically granted for a term between three and five years at the discretion of the Board of Directors upon recommendation by the Remuneration Committee.

The weighted average exercise price of the options outstanding at 31 December 2023 is 4.56 pence (31 December 2022 - 3.85 pence).

In the Black-Scholes model the key inputs for the options granted in 2022 were Volatility as 64.6%, the Risk Free Interest Rate as 0% and the dividend yield as 0%.

** Under IFRS 2 "Share-based Payments", the Company determines the fair value of options issued to Directors, Employees and other parties as remuneration and recognises the amount as an expense in the Statement of Comprehensive Income with a corresponding increase in equity.

During the year 11 200 000 share options expired unexercised. The value of these expired share options was calculated based on a pro-rata allocation of the opening balance.

The charge incurred during the year in relation to share based payments was £nil (31 December 2022 - £27,000).

Warrants

Grant date	Number	Exercise Price (pence)	Term (years)	Share Price at grant pence
1 January 2023	**12,795,647**			
Exercised during the year	980,584			
Expired during the year	-			
TOTAL 31 December 2023	**11,815,063**			
Weighted Average		**4.41**	**0.5 (i)**	

(i) Remaining term as at 31 December 2023

The charge incurred during the year in relation to warrants was nil.

Grant date	Number	Exercise Price (pence)	Term (years)	Share Price at grant pence
1 Jan 2022	**165,859,668**			
Exercised during the year	(74,024,896)			
Expired during the year	(79,039,125)			
TOTAL 31 December 2022	**12,795,647**			
Weighted Average		**4.29**	**1.36 (i)**	

(i) Remaining term as at 31 December 2022

The charge incurred during the year in relation to warrants was nil.

22. Share premium

	31 Dec 2023 £ 000s	31 Dec 2022 £ 000s
Opening Balance	**64,272**	**62,019**
Total Additions	**192**	**2,253**
Share issue costs	**-**	**-**
As at 31 December	**64,464**	**64,272**

See Note 20 for a breakdown of share issues during the year.

23. Financial instruments and capital risk management

Categories of financial instruments

The categories of financial assets and liabilities included in the statement of financial position are

The categories of financial assets and liabilities included in the statement of financial position are as follows:

	2023	2022
	£000	£000
Financial assets at amortised cost:		
Long-term receivable	6,531	-
Trade and other receivables	1,859	1,096
Assets held for sale	-	-
Cash and cash equivalents	281	616
Financial assets at fair value through profit or loss:		
Short term investments	68	1,738
Financial assets at carrying value using equity method		
Investment in associate	2,458	-
	11,197	3,450

	2023	2022
	£000	£000
Financial liabilities at amortised cost:		
Trade and other payables	2,244	2,733
Long-term payables	105	117
	2,349	2,850

Financial Risk Management

Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Board of Directors under policies approved at Board meetings. The Board frequently discusses principles for overall risk management including policies for specific areas such as foreign exchange.

a) Market Risk

i) Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the pound sterling, US dollar ("USD"), Zambian kwacha ("ZMW") and Botswanan pula ("BWP"). Foreign exchange risk arises from recognised monetary assets and liabilities, where they may be denominated in a currency that is not the Group's functional currency.

The Zambian kwacha depreciated by approximately 51% (appreciated by 2.5% in 2022), although it has shown to be a volatile currency. The kwacha risk is mitigated by the fact that the Group's Zambian entities were disposed of during the year - See Note 14.

The Botswanan pula depreciated by approximately 11% (appreciated 0.14% in 2022), Whilst less volatile than the ZMW, the pula risk is similarly mitigated to that of the kwacha by the fact that the Group's Botswanan entity would only have one month's cash requirement on hand at any one time.

On the assumption that all other variables were held constant, and in respect of the Group and the Company's expenses the potential impact of a 20% increase/decrease in the GBP:ZMW foreign exchange rate on the Group's loss for the year and on equity is as follows:

Potential impact on Zambian kwacha and Botswanan Pula expenses: 2022

Increase/(decrease) in exchange rates		Group (BWP) £ 000's	Group (ZMW) £ 000's
	20%	**(2)**	**(9)**
	-20%	**2**	**9**

Potential impact on Zambian kwacha and Botswanan pula expenses: 2023

Increase/(decrease) in exchange rates

20%	**6**	**6**
-20%	**(8)**	**(9)**

b) Credit Risk

Credit risk arises from cash and cash equivalents.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The Group will only keep its holdings of cash and cash equivalents with reputable institutions.

The Group considers that it is not exposed to major concentrations of credit risk.

The Group holds cash as a liquid resource to fund its obligations. The Group's cash balances are held primarily in USD. The Group's strategy for managing cash is to assess opportunity for interest income whilst ensuring cash is available to match the profile of the Group's expenditure. This is achieved by regular monitoring of interest rates and monthly review of expenditure forecasts. Short term interest rates on deposits remained very unattractive during the fiscal year and management employed short-term investment strategies to protect working capital reserves.

The Group has a policy of not hedging and therefore takes market rates in respect of foreign exchange risk; however, it does review its currency exposures on an ad hoc basis. Currency exposures relating to monetary assets held by foreign operations are included within the foreign exchange reserve in the Group Balance Sheet.

The currency profile of the Group's cash and cash equivalent is as follows:

Cash and cash equivalents	**Dec 2023 £ 000's**	Dec 2022 £ 000's
Sterling	**49**	**593**
US Dollars	**230**	**3**
Zambian Kwacha (ZMK)	**-**	**3**
Botswana Pula (BWP)	**2**	**17**
At end of year	**281**	**616**

On the assumption that all other variables were held constant, and in respect of the Group's cash position, the potential impact of a 20% increase in the GBP:USD foreign exchange rate would not have a material impact on the Group's cash position and as such is not disclosed.

c) Liquidity Risk

To date the Group has relied upon equity funding to finance operations. The Directors are confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

The Group ensures that its liquidity is maintained by a management process which includes projecting cash flows and considering the level of liquid assets in relation thereto, monitoring Balance Sheet liquidity and maintaining funding sources and back-up facilities.

Listed securities

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market such as industry knowledge and experience of the Directors.

Risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Company's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate.

The Company holds investments in companies that are listed on stock markets. The value at the balance sheet date is 68k (2022: £1.738M). If there were to be a 10% decrease in overall share prices of these financial investments, the impact on the comprehensive income and net assets would be a decrease of approximately £7k (2022: £174k). There would be a similar increase in the event there was a 10% increase in overall share prices.

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to position as a going concern and to continue its exploration and evaluation activities. The Group has capital, defined as the total equity and reserves of the Group, of £10,547,000 (December 2022: £5,845,000).

The Group monitors its level of cash resources available against future planned exploration and evaluation activities and issues new shares in order to raise further funds from time to time.

24. Commitments

Alvis-Crest committed exploration expenditure

Until a decision to mine is reached, the Group is committed to spending, during any consecutive three year period, not less than USD 200,000 per year, on average, on the Virgo Project. The licences were renewed in 2022 for 2 years to 2024. Alvis Crest has lodged renewal applications for both the PL135/2017 and PL162/2017 licenses. This is an administrative process and the Directors see no reason why the licences will not be automatically renewed in accordance with their terms. The renewals will extend the period by which the Company can continue exploring the Virgo Project licenses for a further two years, expiring in 2026. As such, under the current licence term, the Group is committed to spending at least USD 200,000 in the next 12 months and an additional USD 200,000 per year for the following year.

Exploration commitments

Ongoing exploration expenditure is required to maintain title to the Group's mineral exploration permits. No provision has been made in the Group financial statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the operations of the Group.

25. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. There were no other transactions with related parties during the reporting year, except as disclosed below:

Remuneration of Key Management Personnel

The remuneration of the Directors and PDMRs is set out in Note 7.

Of the amounts set out in Note 7:

£284 000 (2022 - £163,143) was paid to VC Resources Ltd, a PSC owned by Vassilios Carellas.

£123 000 (2022 - £163,143) was paid to HFS Consulting Ltd, a company owned by Ian Lynch.

A relative of Rémy Welschinger made a loan to the Company which was unsecured and converted into equity in November 2023.

26. Ultimate controlling party

There is no ultimate controlling party in the opinion of the Board.

27. Events after the reporting date

Fundraising

On 12 March 2024 the Company announced it has raised approximately £4.14 million through the issue of shares. The proceeds of the fundraising will be used to progress the Company's Botswana exploration programme; to assess potential new licence areas in Zambia, and, if a target licence area is identified, to fund the associated due diligence, costs of acquiring the licence and any initial work programmes; and for working capital purposes.

END

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