

27th September 2024

**Arkle Resources PLC**

("Arkle" or the "Company")

**Interim Statement for the period ended 30 June 2024**

**Chairman's Statement**

Arkle Resources listed on the London Stock Exchange (AIM: ARK) is an active explorer for lithium in Botswana, Ireland and Zimbabwe, zinc in Ireland and gold in Ireland.

The Green Revolution is in full swing. By 2050 we are supposed to be carbon neutral. Not for the first time I write about the inability of politicians, bureaucrats and "the greens" to grasp the simple fact that the transition to the green economy requires vast quantities of metals such as lithium, copper, nickel etc. These must be mined. But where is the realisation that mineable deposits must be discovered. That means exploration. But none of the EU or US multi-billion Dollar / Euro programmes promoting the production of metals critical to the green transition mention the need for greater exploration. No exploration, no new mines, no supply. It is that simple.

In the last decade mineral exploration has declined. Once discovered it can take 8 to 12 years to bring a discovery into production. Why has exploration declined. Simple, few investors are willing to take the high risks associated with grass roots exploration.

Junior stock exchanges, the AIM Market in London, TSX-V in Toronto and ASX in Australia have seen the departure or demise of hundreds of junior explorers. The cohort of exploration investors has been decimated and will continue to decline.

Are there positives? Yes, if we can finance exploration there is a growing range of prospective projects to pick from, metal prices are good and demand strong.

Arkle is one of the very few active junior explorers in the British Isles. We have ongoing drilling on our zinc licences in Ireland (Arkle 23.56%, Group Eleven 73.44%), ongoing exploration on our two 100% owned salt pan licences in Botswana, where we are looking for lithium, and we are prospecting for lithium on our three hard rock licences in Zimbabwe.

**Projects**

*Lithium in Botswana : Sampling to test the brines for lithium*

In 2023 Arkle was awarded two licences covering 837sq km in the Makgadikgadi Salt Pans in Botswana. Prospecting undertaken by the Company estimated the presence of brines covering a depth of 30 feet over the licences. It is important to explain brines to shareholders. Rivers or rains feed lakes which evaporate over time leaving a hard crust of salt. Beneath the crust is a depth of mushy salty liquid which may or may not contain lithium in solution. The lithium obtained from salts is normally used in batteries since it has the highest electrical output per unit of weight of any battery material. There is a serious lithium shortage projected for the coming years.

Follow up exploration on the blocks is underway. This is a limited sampling programme using augers, simple handheld drills, to obtain up to 50 litres of brines. These will be shipped to the ALS laboratory in Brisbane where they will be analysed for lithium.

Assuming the presence of lithium the next stage, already planned is a drill programme on a grid to obtain sufficient samples to estimate the grade.

***Zinc in Ireland : Drilling on our Stonepark licences***

Arkle hold a 23.56% interest in seven licences in the Stonepark area of Limerick. The ground is adjacent to the large Pallas Green zinc discovery, 45 million tonnes plus held by Glencore and also adjacent to the Group Eleven zinc discoveries at Carrickittle and Ballywire.

Previous exploration by Arkle and partners on Stonepark discovered a JORC inferred resource of 5.1 million tonnes of 11.3% combined lead and zinc.

Recent drilling discovered a major fault stretching across the southern part of the block. It is thought that this fault could be related to the Carrickittle zinc discoveries to the south on ground held by our partners Group Eleven.

A drill programme of 4-5 holes totalling 1,700 metres is now underway focused on the southern part of the block. It will be completed by end 2024.

Zinc is one of the most widely used metals in the world. The recent prices of the metal, over 2,800 a tonne, is attractive for Irish zinc explorers.

**Other Activities**

***Lithium in Ireland and Zimbabwe, gold in Ireland***

In late 2023 Arkle was awarded 4 licences in the Aughrim area of Wicklow. The target is lithium. The ground is contiguous to ground held by Ganfeng Lithium Co of China. Based on earlier work, ten priority targets were identified for sampling. Pegmatite and Spodumene were found in the sampling. In 26 of 59 samples lithium was discovered. The next step is geochemical exploration on these discoveries.

In Zimbabwe, Arkle holds three licences in an area known to contain lithium in lepidolite and spodumene. An initial survey of the ground has been completed.

Arkle has found gold on its ground in Wicklow and Donegal. A recent 4 hole drilling programme in Donegal targeted a high grade vein discovered in previous drilling. The vein was found in all 4 holes. All 4 contained low grade gold.

**Future**

I am by nature an optimist, otherwise I would not be an explorer. I see a bright future in mining. The picture is clouded by well-meaning but often uninformed commentators who want all mining stopped. Do they understand almost everything they touch has been produced or affected by natural resource extraction either hydrocarbon or mineral? Do they understand that 3 billion people are likely to enter the middle class in the coming decades? All wanting the type of life followed by those of us living in the West.

The trend towards carbon neutral is underway but it cannot happen without the active participation of the mining industry. Lithium, copper and zinc in growing quantities are needed. In an uncertain world people buy gold. They have done so for 4,000 years and they are doing it again. Gold prices are testing all time highs.

The future is good

**John Teeling**  
**Chairman**  
**26th September 2024**

**Market Abuse Regulation (MAR) Disclosure**

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**Arkle Resources plc**

**Financial Information (Unaudited)**

	<b>Six Months Ended</b>	<b>Year End</b>	
	<b>30 June 24</b>	<b>30 June 23</b>	<b>31 Dec 23</b>
	<b>unaudited</b>	<b>unaudited</b>	<b>audited</b>
<b><u>Condensed Consolidated Statement of Comprehensive Income</u></b>			
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Administrative expenses	(175)	(150)	(277)
<b>OPERATING LOSS</b>	<b>(175)</b>	<b>(150)</b>	<b>(277)</b>
Profit/(Loss) due to fair value volatility of warrants	17	117	(20)
<b>LOSS BEFORE TAXATION</b>	<b>(158)</b>	<b>(33)</b>	<b>(297)</b>
Income tax expense	-	-	-
<b>LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME</b>	<b>(158)</b>	<b>(33)</b>	<b>(297)</b>
<b>LOSS PER SHARE - basic and diluted</b>	<b>(0.03) c</b>	<b>(0.01) c</b>	<b>(0.07) c</b>
<b><u>Condensed Consolidated Statement of Financial Position</u></b>			
	<b>30 June 24</b>	<b>30 June 23</b>	<b>31 Dec 23</b>
	<b>unaudited</b>	<b>unaudited</b>	<b>audited</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>NON-CURRENT ASSETS</b>			
Intangible Assets	4,199	4,026	4,090
<b>CURRENT ASSETS</b>			
Other receivables	4	16	-
Cash and cash equivalents	169	63	91
<b>TOTAL ASSETS</b>	<b>173</b>	<b>79</b>	<b>91</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	(387)	(383)	(340)
Warrants	(159)	(39)	(176)
<b>NET CURRENT LIABILITIES</b>	<b>(546)</b>	<b>(422)</b>	<b>(516)</b>
<b>NET ASSETS</b>	<b>(373)</b>	<b>(343)</b>	<b>(425)</b>
	<b>3,826</b>	<b>3,683</b>	<b>3,665</b>

**EQUITY**

Share Capital - Deferred Shares	992	992	992
Share Capital - Ordinary Shares	1,412	988	1,142
Share Premium	7,064	6,923	7,015
Share based payments reserve	156	156	156
Retained deficit	(5,798)	(5,376)	(5,640)
<b>TOTAL EQUITY</b>	<b>3,826</b>	<b>3,683</b>	<b>3,665</b>

**Condensed Consolidated Statement of Changes in Shareholders Equity**

	Called-up Share Capital Deferred €'000	Called-up Share Capital Ordinary €'000	Share Share Premium €'000	Share Based Reserves €'000	Retained Deficit €'000	Total €'000
<b>As at 1 January 2023</b>	992	988	6,923	156	(5,343)	3,716
Loss for the period	-	-	-	-	(33)	(33)
<b>As at 30 June 2023</b>	<b>992</b>	<b>988</b>	<b>6,923</b>	<b>156</b>	<b>(5,376)</b>	<b>3,683</b>
Shares issued	-	154	92	-	-	246
Loss for the period	-	-	-	-	(264)	(264)
<b>As at 31 December 2023</b>	<b>992</b>	<b>1,142</b>	<b>7,015</b>	<b>156</b>	<b>(5,640)</b>	<b>3,665</b>
Shares issued	-	270	49	-	-	319
Loss for the period	-	-	-	-	(158)	(158)
<b>As at 30 June 2024</b>	<b>992</b>	<b>1,412</b>	<b>7,064</b>	<b>156</b>	<b>(5,798)</b>	<b>3,826</b>

**Condensed Consolidated Cash Flow**

	Six Months Ended 30 June 24 unaudited €'000	Six Months Ended 30 June 23 unaudited €'000	Year Ended 31 Dec 23 audited €'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss for the year	(158)	(33)	(297)
Fair value movement of warrants	(17)	(117)	20
Foreign exchange	0	(4)	(3)
	<b>(175)</b>	<b>(154)</b>	<b>(280)</b>
Movements in working capital	43	48	21
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(132)</b>	<b>(106)</b>	<b>(259)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for exploration and evaluation	(109)	(35)	(99)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(109)</b>	<b>(35)</b>	<b>(99)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of equity shares	319	0	246
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>319</b>	<b>0</b>	<b>246</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>78</b>	<b>(141)</b>	<b>(112)</b>
Cash and Cash Equivalents at beginning of the period	91	200	200
Effects of exchange rate changes on cash held in foreign currencies	-	4	3
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>169</b>	<b>63</b>	<b>91</b>

**Notes:****1. INFORMATION**

The financial information for the six months ended 30 June 2024 and the comparative amounts for the six months ended 30 June 2023 are unaudited. The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The interim financial statements have been prepared applying the accounting policies and methods of computation used in the preparation of the published

consolidated financial statements for the year ended 31 December 2023.

The interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2023, which are available on the Company's website [www.arkleresources.com](http://www.arkleresources.com)

The interim financial statements have not been audited or reviewed by the auditors of the Group pursuant to the Auditing Practices board guidance on Review of Interim Financial Information.

2. No dividend is proposed in respect of the period.

3. **EARNINGS PER SHARE**

Basic earnings per share is computed by dividing the profit after taxation for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year. Diluted earnings per share is computed by dividing the profit after taxation for the year by the weighted average number of ordinary shares in issue, adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the year.

The following table sets out the computation for basic and diluted earnings per share (EPS):

	30 June 24	30 June 23	31 Dec 23
Profit/(loss) per share - Basic and Diluted	(0.03) c	(0.01) c	(0.07) c
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<b>Basic profit/(loss) per share</b>			
The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:			
<b>Numerator</b>	€'000	€'000	€'000
Loss after taxation	(158)	(33)	(297)
<hr/>			
<b>Denominator</b>	Number	Number	Number
Weighted average number of ordinary shares	487,583,600	395,382,426	402,955,811
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Basic and diluted loss per share are the same as the effect of the outstanding share options is anti-dilutive.

4. **INTANGIBLE ASSETS**

	30 June 23	30 June 23	31 Dec 23
Exploration and evaluation assets:	€'000	€'000	€'000
Cost at 1 January	4,090	3,991	3,991
Additions	109	35	99
Closing Balance	4,199	4,026	4,090

In 2007 the Group entered into an agreement with Teck Cominco which gave Teck Cominco the option to earn a 75% interest in a number of other licences held by the Group. Teck Cominco had to spend CAD 3m to earn the interest. During 2012 the relevant licences were transferred to a new company, TILZ Minerals Limited, which at 30 June 2024 was owned 23.44% (2023: 23.44%) by Limerick Zinc Limited (subsidiary of Arkle Resources plc) and 76.56% (2023: 76.56%) by Group Eleven Resources Corp (third party).

On 13 September 2017 the board of Arkle Resources plc were informed that Group Eleven Resources Corp. a private company, has acquired the 76.56% interest held by Teck Ireland in TILZ Minerals. Arkle Resources plc owns the remaining 23.44%.

The Group's share of expenditure on the licences continues to be capitalised as an exploration and evaluation asset. The Group is subject to cash calls from Group Eleven Resources Corp. in respect of the financing of the ongoing exploration and evaluation of these licences. In the event that the Group decides not to meet these cash calls its interest in TILZ Minerals Limited may be diluted accordingly.

On 23 June 2022 the Company had been granted licences to prospect for Lithium in the Insiza District of the Matabeleland South Province of Zimbabwe. The Directors believe that these licences, which cover a small area,

represent a low-cost entry into one of the largest lithium producing countries in the world.

On 25 October 2023 the Company announced it has been granted a new lithium exploration block north of its Mine River Block in Wicklow/Wexford in Ireland. The new block consists of four prospecting licences for lithium, rare earth elements and other minerals, including gold and platinum. The ground is contiguous with the International Lithium Corp - Gangfeng Lithium Co. Ltd joint venture to the west, where a large zone of lithium bearing pegmatites has been discovered associated with the Leinster Granite Pegmatite Belt. The Directors believe this new ground is fertile for lithium deposits.

On 15 December 2023 the Company announced that it has been awarded two exploration licences in the Makgadikgadi Salt Pans in North-Eastern Botswana. The licences, PL 075/2023 and PL 0148/2023, cover 312 and 525 sq kilometres respectively in size. The licences are awarded to prospect for lithium in the Salt Pans.

The realisation of the intangible assets is dependent on the discovery and successful development of economic reserves which is subject to a number of risks as outlined below. Should this prove unsuccessful the carrying value included in the balance sheet would be written off to the statement of comprehensive income.

The group's activities are subject to a number of significant potential risks including;

- Uncertainties over development and operational risks;
- Compliance with licence obligations;
- Ability to raise finance to develop assets;
- Liquidity risks; and
- Going concern risks.

The directors are aware that by its nature there is an inherent uncertainty in such exploration and evaluation expenditure as to the value of the asset. Having reviewed the carrying value of exploration and evaluation of assets at 30 June 2024, the directors are satisfied that the value of the intangible asset is not less than carrying value.

	30 June 24 €'000	30 June 23 €'000	31 Dec 23 €'000
<b>Segmental Analysis</b>			
Limerick	1,720	1,705	1,705
Rest of Ireland	2,418	2,297	2,356
Zimbabwe	29	24	29
Botswana	32	-	-
	<b>4,199</b>	<b>4,026</b>	<b>4,090</b>

## 5. SHARE CAPITAL AND SHARE PREMIUM

	2024 €'000	2023 €'000
<b>Authorised</b>		
1,000,000,000 Ordinary shares of 0.25c each	2,500	2,500
500,000,000 Deferred shares of 0.75c each	3,750	3,750
	<b>6,250</b>	<b>6,250</b>

	Share Capital €'000	Share Premium €'000
	Number	
<b>Deferred Shares - nominal value of 0.75c</b>	<b>132,311,593</b>	<b>992</b>
		-

	Share Capital €'000	Share Premium €'000
	Number	
<b>Ordinary Shares - nominal value of 0.25c</b>		
Allotted, Called Up and Fully Paid:		
<b>Balance at 1 January 2023</b>	<b>395,382,426</b>	<b>988</b>
Issued during the period	-	-
<b>Balance at 30 June 2023</b>	<b>395,382,426</b>	<b>988</b>
Issued during the period	61,428,571	154
<b>Balance at 31 December 2023</b>	<b>456,810,997</b>	<b>1,142</b>
Issued during the period	108,000,000	270
		49

Movement in shares

On 9 May 2024, a total of 108,000,000 shares were issued at a price of 0.25p per share to provide additional working capital and fund development costs. For each share subscribed for, the investors also received one warrant to subscribe for an additional ordinary share at a price of 0.35p per share for a period of two years.

**6. SHARE BASED PAYMENTS - OPTIONS**

Equity-settled share-based payments are measured at fair value at the date of grant.

The Group plan provides for a grant price equal to the average quoted market price of the ordinary shares on the date of grant.

	30 Jun 24	Weighted average exercise price in pence	30 Jun 23	Weighted average exercise price in pence	31 Dec 23	Weighted average exercise price in pence
	'000		'000		'000	
Outstanding at beginning of period	16,100	1.32	16,100	1.32	16,100	1.32
Granted during the period	-	-	-	-	-	-
Expired during the period	-	-	-	-	-	-
Outstanding at end of period	<b>16,100</b>	<b>1.32</b>	<b>16,100</b>	<b>1.32</b>	<b>16,100</b>	<b>1.32</b>
Exercisable at end of period	<b>16,100</b>	<b>1.32</b>	<b>16,100</b>	<b>1.32</b>	<b>16,100</b>	<b>1.32</b>

**7. SHARE BASED PAYMENTS - WARRANTS**Number

	30 June 24	30 June 23	31 Dec 23
	'000	'000	'000
Outstanding at beginning of period	111,429	50,000	50,000
Granted during the period	108,000	-	61,429
Exercised during the period	-	-	-
Closing Balance	<b>219,429</b>	<b>50,000</b>	<b>111,429</b>

Fair Value

	30 June 24	30 June 23	31 Dec 23
	€'000	€'000	€'000
At beginning of period	176	156	156
Issued during the period	106	-	117
Movement in fair value	(123)	(117)	(97)
Closing Balance	<b>159</b>	<b>39</b>	<b>176</b>

	30 June 24	30 June 23	31 Dec 23
	€'000	€'000	€'000
<b>Profit/(Loss) due to Fair Value Volatility of Warrants</b>			
Fair Value movement on warrants b/fwd	123	117	97
Fair value of warrants exercised	-	-	-
Fair value of new warrants granted	(106)	-	(117)
Movement for the period	<b>17</b>	<b>117</b>	<b>(20)</b>

1 January 2024 a total of 50,000,000 warrants with an exercise price of 0.5p per warrant and 61,428,571 warrants with an exercise price of 0.35p per warrant were outstanding. The movement in fair value for these warrants for the period to 30 June 2024 of €123,316 was expensed to the Consolidated Statement of Comprehensive Income. The fair value was calculated using the Black-Scholes valuation model.

On 9 May 2024 a total of 108,000,000 warrants with an exercise price of 0.35p per warrant and a fair value of €106,640 were granted. These warrants have an expiry date of 9 May 2026. The fair value for the period to 30 June 2024 of €106,640 was expensed to the Consolidated Statement of Comprehensive Income. The fair value was calculated using the Black-Scholes valuation model.

The inputs into the Black-Scholes valuation model were as follows:

**Grant 9 May 2024**

Weighted average share price at date of grant (in pence)	0.215p
Weighted average exercise price (in pence)	0.35p
Expected volatility	93.19%
Expected life	2 years
Risk free rate	4.5%
Expected dividends	none

Expected volatility was determined by management based on their cumulative experience of the movement in share prices. The terms of the warrants do not contain any market conditions within the meaning of IFRS 2.

**8. POST BALANCE SHEET EVENTS**

There are no material post balance sheet events affecting the Company.

**9.** The Interim Report for the six months to 30 June 2024 was approved by the Directors on 26th September 2024.

**10.** The Interim Report will be available on Arkle Resources PLC's website [www.arkleresources.com](http://www.arkleresources.com).

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