



# Arc Minerals Limited - Royalty Agreement Update

4/9/2020

RNS Number : 2819J

Arc Minerals Limited

09 April 2020

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**Arc Minerals Ltd**

**('Arc' or 'Arc Minerals' or the 'Company')**

**Royalty Agreement Update**

Arc Minerals is pleased to announce that it has entered into a binding royalty agreement (the "Royalty Agreement") with Golden Square Equity Partners Limited ("Golden Square") following the sale of Arc's entire 99.43% interest in Casa Mining Limited ("Casa") to Golden Square for a consideration of up to US\$50m (Announcement made on 18 March 2020).

Under the terms of the Royalty Agreement, Arc shall be entitled to a royalty stream up to an aggregate value of up to US\$45m. The royalty stream will be based on the gold production of the projects and interests held by Casa as at 19 March 2020 and is to be calculated as 3% of net smelter production at the prevailing gold price on the production date and paid by Casa to Arc quarterly in arrears based on the ounces of gold produced.

The Royalty Agreement of up to US\$45m is based on potential gold production of the projects and interests that are held by Casa. There can be no guarantee that any royalty payments will flow to Arc or the timing of such payments.

Separately, the first payment by Golden Square to Casa in respect of operating expenses has been made this week.

Nick von Schirnding, executive chairman of Arc commented: "It is pleasing to have finalised the US\$45m royalty agreement with Golden Square, which in addition to the US\$5m loan note issued to Arc by Golden Square and repayable to Arc on 19 March 2021, should prove valuable going forward".

Separately, we have completed a major cost reduction exercise across the board at Arc to ensure we are in the best possible financial shape going forward as we all adapt to the Covid-19 crisis. A separate update on this - as well as the work we are completing on the Kalaba Commercial Scale Demonstration plant and drilling programme - will be published shortly."

**\*\*ENDS\*\***

## **Contacts**

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### **Market Abuse Regulation (MAR) Disclosure**

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

### **Notes to the Editors**

Arc Minerals is an AIM listed exploration company focused on its exciting Zambian copper exploration projects.

Arc Minerals current holdings in Zambia include:

- A 66% equity interest in Zamsort Limited ("Zamsort"), a private company focused on a prospective copper licence in the Zambia Copperbelt.
- A 52.5% equity interest in Zaco Limited ("Zaco"), a private company focussed on a prospective copper and cobalt license adjacent to Zamsort.

For more information visit [www. arcminerals.com](http://www.arcminerals.com)

### **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.*

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