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Alba Mineral Resources PLC
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Alba Mineral Resources plc

("Alba" or the "Company")

Clogau-St David's Gold Mine Update

Projected Vein System Now Extends 66 Metres Below Existing Workings

Alba Mineral Resources plc (AIM: ALBA) is pleased to provide an update on the Company's work activities at the Clogau-St David's Gold Mine. The latest results from the ongoing Phase 1 drilling programme have enabled the Company to project the newly identified vein system as extending some 66 metres below the deepest previously worked zone at the Llechfraith mine area.

Key Points

- Surface Drilling Update
  - Six drill holes have been completed for 724 metres in total.
  - Since last drilling updates (announced on 21 December 2020 and 8 January 2021) covering holes LL001-LL003, holes LL004-006 have been completed for a further 324.5 metres.
  - LL005 succeeded in intersecting the projected vein system some 16 metres or so below the intercepts for drill holes LL001-LL004. Hole LL005 intersected significant quartz veins at 90m and 102m.
  - Alba now projects the newly identified vein system as extending 66 metres below the deepest previously worked zone at the Llechfraith mine area.

- Llechfraith Dewatering
  - Application submitted for bespoke water discharge permit to allow lower workings in the Llechfraith Shaft to be dewatered in order to undertake underground drilling and bulk sampling directly from that zone.

- Pilot Processing Plant Operation
  - Pilot gold processing plant now fully operational.

- Gwynfynydd and Dolgellau Gold Exploration Project
    - Airborne geophysical and stream sediment sampling data being reprocessed with the objective to more narrowly define the regional gold targets.

George Frangeskides, Alba's Executive Chairman, commented:

"This surface drilling campaign is delivering on our objectives in spades. We wanted to identify the existence and extent of the vein system below the historic workings at Llechfraith, and we have now been able to show that it extends at least 66 metres below the deepest previously mined section. This provides us with a significant zone for follow-up channel and bulk sampling once we can get much closer access, which we will be able to do as soon as we have dewatered the Main Shaft at Llechfraith."

"Ultimately, assuming that sampling programme stacks up well, we would then look to sink an extension to the Main Shaft some 60 metres down from No 4 Level, with several new Levels then being driven across from the extended shaft in order to be able to access the lode structure at a number of intervals. Thanks to modern engineering techniques and equipment, putting this new development in place would not be anything like the endeavour it would have been when the last development was put in place at Clogau some decades ago."

"It is really exciting to see our work coming together in this way."

Surface Drilling

To date, six holes (LL001-LL006) of the Company's Phase 1 surface drilling programme have been completed for 724 metres. The seventh and final drill hole in this drilling phase, LL007, has now commenced and is expected to be approximately 110m in length (see Table 1).

This Phase 1 surface drilling programme has been designed to target mineralisation below the existing mine workings at the Llechfraith mine area (see Figures 1 and 2 in the PDF version of this RNS), thus testing the continuation of mineralisation at depth.

By stepping out the drilling so that the drill collar was set further away from the mine area, the current phase of drilling has been designed to intersect the quartz vein at a higher, and therefore more favourable, angle to dip. This has so far proved successful (see Figures 1 and 2 in the PDF version of this RNS), given the significant widths of quartz vein which have been intersected. LL001 has intersected a total of 6.48 metres of quartz veins, LL002 a total of 3.65 metres and LL003 a total of 5.7 metres.

LL005 intersected lode quartz in a zone 1.76m wide, however the significance of LL005 is that it intersected the projected lode structure some 16 metres deeper than LL001-003 did, meaning that the Company now believes the projected lode structure potentially extends at least 66 metres below the previously deepest worked section of the Llechfraith Mine, the No 4 Level.

The structural information obtained from the Phase 1 drill holes has been critical in enabling Alba's technical team to model the vein intercepts within the existing 3D geological model for Clogau-St David's to show, for the first time, the projected extent of the identified vein system.

The identification of this significant projected lode structure below No 4 Level now provides the Company with a significant zone for follow-up exploration drilling and bulk sampling. The objective will be to access this zone directly from the Llechfraith shaft, once dewatered. This will enable far more targeted exploration than has been possible to date, initially by channel and bulk sampling from the newly dewatered No 4 Level and, in due course, by extending the existing Llechfraith Shaft from No 4 Level down 60 metres or so and creating a number of sub-levels forking off from the shaft extension (see Figure 3 in the PDF version of this RNS).

The installation of a shaft extension and new sub-levels to access the projected lode for bulk sampling and, ultimately, mining would represent the most significant piece of development work undertaken at the Mine in several decades.

Table 1: Summary of completed drill holes including notable structural intercepts

Hole	**Azimuth**	**Dip**	**Length (m)**	**Structural Intercepts**		
				Structure	**Depth**	**Thickness (m)**
GMOW_LL001	351	43	183.5	Quartz Vein	56.77	0.3
				Quartz Vein	60.23	0.61
				Quartz Vein	63.29	0.33
				Quartz Vein	63.87	0.24
				Llechfraith Lode System	83.43	2.38
				Llechfraith Lode System	95.22	2.3
GMOW_LL002	353	44	103.3	Quartz Vein	48.17	0.25
				Quartz Vein	56.5	0.26
				Quartz Vein	59.1	0.4
				Llechfraith Lode System	96.53	1.85
GMOW_LL003	344	44	112.8	Quartz Vein	64	0.42
				Llechfraith Lode System	84.92	1.22
				Llechfraith Lode System	88.12	0.63
				Llechfraith Lode System	89.09	0.56
				Llechfraith Lode System	91.64	0.33
				Llechfraith Lode System	96.22	2.23
				Llechfraith Lode System	101.8	0.28

Hole	Azimuth	Dip	Length (m)	Structural Intercepts		
GMOW_LL004	327	43	62.4	Quartz Vein	10.11	0.44
				Quartz Vein	61.92	0.38
GMOW_LL005	340	52.2	125.6	Quartz Vein	10.53	0.23
				Quartz Vein	21.8	0.21
				Quartz Vein	64.25	0.85
				Llechfraith Lode System	90.01	0.69
				Llechfraith Lode System	101.83	2.5
				Llechfraith Lode System	107.31	0.32
GMOW_LL006	007	43	136.5	Quartz Vein	8.7	0.6
				Quartz Vein	46.4	0.5
				Quartz Vein	75.2	0.3
				Llechfraith Lode Stringer Zone	101.03	0.26
				Llechfraith Lode Stringer Zone	101.82	0.32

Table 1 refers to certain of the quartz veins as forming part of the "Llechfraith Lode System", to indicate veins which have been intersected in the same zone as one another within the Llechfraith mine area.

LL007 is expected to be the final hole drilled in this Phase 1 programme and is designed to intersect the projected lode structure a further 16 metres below LL005.

Once this Phase has been completed, as announced on 2 December 2020, the next phase of surface drilling (Phase 2) will consist of an 8-10 hole programme for around 2,000 metres. This phase of drilling will target the 550m Main Lode extension indicated by the recently completed underground drilling and will also seek to intersect the projected depth extensions of certain historically worked lodes, namely Grandfathers Lode and the 7-10 Lode. The Company hopes to be able to start Phase 2 as soon as Phase 1 completes, however this is subject to timely receipt of regulatory approvals which are in progress.

Llechfraith Shaft Dewatering

The Company has applied to the competent regulator, Natural Resources Wales, for a bespoke water discharge permit which will allow the Company to divert the drainage water from the current Llechfraith drainage adit and dewater the lower workings in the Llechfraith Shaft in order to undertake underground drilling and bulk sampling directly from that zone. After dewatering, and whilst this exploration work is being undertaken, a constant discharge will be maintained in order to ensure dry workings.

The proposed dewatering scheme would be to lower two submersible water pumps into the Llechfraith Shaft from the Llechfraith Adit level and pump the

water back through the Llechfraith Adit to the mine yard (see Figure 6 in the PDF version of this RNS). To maintain a static level, the diversion pumping scheme would pump at 6 m^3/ hr. To dewater the mining voids, a second pump would be utilised, again operating at 6 m^3 / hr. It is estimated that the flooded mine voids are of the order of 800 m^3. Therefore, pumping at 6 m^3 / hr on a 24/7 basis would dewater the flooded mining voids in around 1-2 weeks.

As the pumped mine water is likely to disturb previously settled solids from the flooded workings, it would then be treated by passing through two Siltbuster HB10 settlement tanks. Again, the two tanks would operate in parallel. No chemical additions will be made to the water, only unaided settling of solids will be promoted. Water samples will be sent for analysis regularly during these works.

As soon as the discharge permit is received, the planned dewatering scheme will commence, as the Company sees this zone as a key target for future mining operations, not least given the results of the Phase 1 drilling campaign detailed above.

Pilot Gold Processing Plant

The Company's bespoke pilot gold processing plant has been operational since 20 January 2021. Initially, ore stockpiles from prior periods of exploration are being utilised to test and refine the operation of the plant. The stockpile from the Sep/Oct 2020 bulk sampling will be processed progressively through Q1 2021.

Following completion of the processing exercise, concentrate samples will be sent to an accredited laboratory for assaying. No results will be available until those assay results have been received and analysed.

Regional Exploration of the Dolgellau Gold Field

The assay results from the Company's first surface trenching programme have been obtained. Gold mineralisation above the detection limit was observed in a number of samples, up to 0.014 grams per tonne. Given only the surface expression of the exposed quartz veins was sampled in places and given also the nature of the geological setting in the Dolgellau Gold Field (**DGF**), where gold mineralisation is irregularly disseminated and exhibits high nugget-effect, Alba is currently evaluating the possibility of follow-up exploration of the intersected veins by digging pits in order to obtain a much bigger sample and more representative geological information.

Alba's technical team have been progressing a detailed analysis of the available regional exploration data across the DGF, now that the Gwynfynydd licence area has been added to our exploration ground (see Alba's announcement of 20 November 2020). These invaluable datasets include:

(a) the airborne geophysical survey which was flown in 1972-3 on behalf of the British Geological Survey (**BGS**); and

(b) the BGS stream sediment sampling programmes carried out in the 1980s and 1990s and in which certain pathfinder elements have been identified to aid in targeting gold mineralisation.

In respect of the airborne geophysical survey, the Company has commissioned an experienced geophysicist to reprocess and reinterpret the BGS geophysical survey data. The airborne geophysical survey flown by the BGS included:

(a) electro-magnetic induction (**EM**) surveys, the objective being to reveal bodies of conductive rock; and
(b) magnetic surveys, which would provide information on structures and distribution of magnetic rock-types.

The overall objective of the aeromagnetic surveys was to indicate structural features which, backed up by field work and other exploration techniques, would be complementary in defining target areas for mineralisation.

While the BGS data has formed part of Alba's dataset for some time, the Company's technical team believes that a reprocessing and reinterpretation of the data using modern geophysical processing tools should elucidate more detailed information about the DGF than were possible from the original processing that was undertaken in the 1970s.

In respect of the BGS's stream sediment sampling programmes, stream sediment sampling is a common gold exploration method which involves the collection and analysis of the silt or sand in a stream or riverbed. Anomalous assay results may indicate an area of mineralisation upstream of the anomalous samples.

Alba is currently also undertaking a detailed drainage basin analysis to assist in the planning of focussed stream sediment sampling programmes. A drainage basin, also called a catchment area, is an area from which all precipitation flows to a single stream or set of streams. Typically, the analysis employs the use of Digital Elevation Maps (**DEMs**). By identifying a drainage basin, the stream sediment results are constrained to a geographic area thereby aiding the targeting of mineralised areas.

The objective of this work is to identify specific targets for follow-up exploration activity, both over the Gwynfynydd licence area which has only recently been added to Alba's UK gold portfolio, and also over the rest of the DGF.

All activities and timelines in this announcement are subject to the timely receipt of regulatory and other third-party consents and to the timely availability of contractors, plant and equipment.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

Forward Looking Statements

This announcement contains forward-looking statements relating to expected or anticipated future events and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, competition for qualified staff, the regulatory process and actions, technical issues, new legislation, uncertainties resulting from potential delays or changes in plans, uncertainties resulting from working in a new political jurisdiction, uncertainties regarding the results of exploration, uncertainties regarding the timing and granting of prospecting rights, uncertainties regarding the timing and granting of regulatory and other third party consents and approvals, uncertainties regarding the Company's or any third party's ability to execute and implement future plans, and the occurrence of unexpected events.

Without prejudice to the generality of the foregoing, uncertainties also exist in connection with the ongoing Coronavirus (COVID-19) pandemic which may result in further lockdown measures and restrictions being imposed by Governments and other competent regulatory bodies and agencies from time to time in response to the pandemic, which measures and restrictions may prevent or inhibit the Company from executing its work activities according to the timelines set out in this announcement or indeed from executing its work activities at all. The Coronavirus (COVID-19) pandemic may also affect the Company's ability to execute its work activities due to personnel and contractors testing positive for COVID-19 or otherwise being required to self-isolate from time to time.

Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

Competent Person Declaration

The information in this release that relates to Exploration Results has been reviewed by Mr Mark Austin. Mr Austin is a member of SACNASP (Reg. No. 400235/06), Fellow of The Geological Society and Fellow of the Geological Society of South Africa. He has a B.Sc. Honours in Geology with 38 years' experience.

Mark Austin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration targets, Exploration Results, Mineral Resources and Ore Reserves', also known as the JORC Code. The JORC code is a national reporting organisation that is aligned with CRIRSCO. Mr Austin consents to the inclusion in the announcement of the matters based on his information in the form and context in which they appear.

Glossary

Aeromagnetic survey: *An aeromagnetic survey is a magnetic survey carried out using a magnetometer aboard or towed behind an aircraft. It allows much larger areas of the Earth's surface to be covered quickly for regional reconnaissance. The*

aircraft typically flies in a grid-like pattern with height and line spacing determining the resolution of the data.

Drainage basin: *a drainage basin, also called a catchment area, is an area from which all precipitation flows to a single stream or set of streams.*

Electromagnetic (or EM) survey: *a geophysical survey method which measures the electromagnetic properties of rocks.*

High nugget-effect: *A gold deposit exhibiting irregular and localised occurrence of economic gold grades. Economic grade accumulations are generally contained within discrete oreshoots, which are surrounded by barren to low-grade material.*

Lode: *a deposit of metalliferous ore that fills a fissure.*

Magnetic survey: *a geophysical survey that measures the intensity of the Earth's magnetic field.*

Oreshoot or payshoot: *The portion or length of a vein or other structure that carries sufficient valuable minerals to be extracted profitably.*

Quartz Vein: *a distinct sheet-like body dominantly composed of quartz hosted within a rock formation.*

Stream Sediment Sampling: a common gold exploration method which involves the collection and analysis of the silt or sand in a stream or riverbed. Anomalous assay results may indicate an area of mineralisation upstream of the anomalous samples.

For further information, please contact:

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Alba's Project and Investment Portfolio

Project (commodity)	Location	Ownership
Mining Projects		
Amitsoq (graphite)	Greenland	90%
Clogau (gold)	Wales	90%
Gwynfynydd (gold)	Wales	100%

Inglefield (copper, cobalt, gold)	Greenland	100%
Limerick (zinc-lead)	Ireland	100%
Melville Bay (iron ore)	Greenland	51%
TBS (ilmenite)	Greenland	100%
Oil & Gas Investments		
Brockham (oil)	England	5%
Horse Hill (oil)	England	11.765%

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