

Alba Mineral Resources plc
("Alba" or "the Company")

Announcement of Final Results and Greenland Spin-Out IPO

The Board of Alba Mineral Resources plc is pleased to report the results for the financial year ended 30 November 2020.

References to the "Company" or "Alba" are to Alba Mineral Resources plc and references to the "Group" are to Alba collectively with its Subsidiary Companies.

1. REVIEW OF ACTIVITIES

1.1 INTRODUCTION

The annual Chairman's Statement always provides a good opportunity both to review the past 12 months of progress and also to set our course for the next 12 months. This year, however, it is also an opportunity to make a significant announcement. After assessing all the alternatives, the Alba Board has determined that the optimal way to unlock real and sustained value in our asset portfolio is to effect a divestment of our Greenland assets into a new Greenland-focused, AIM-quoted company.

In Section 4 below, I set out the rationale for the proposed restructuring of the Alba Group. First of all, however, I would like to present my review of the past year.

This time last year I wrote in my Chairman's Statement about the impact COVID-19 was beginning to have on our 2020 field exploration plans. I think it is quite illuminating to look at some of those statements again through the lens of the past 12 months.

I said at the time that *"the rapidly developing situation in relation to the COVID-19 pandemic has placed some considerable doubt upon our ability to execute [our field] programmes in full this year"*.

I also referred to the impact the COVID-19 pandemic had had on global stock markets, and how Alba's share price had been caught up in the *"crosswinds of [a] sudden slump in investor confidence across the board"*. I also expressed the view that while these market conditions continued to hold, *"our ability to raise capital through the equity markets must now be considered severely constrained"*.

As to whether the pandemic put paid to some of our field plans in 2020, it is undoubtedly the case that they did, in Greenland at least. We put our plans to drill the Amitsoq Graphite Project on hold and focused our efforts instead on those sites which we could more readily access, most notably of course the Clogau-St David's Gold Mine in Wales.

As to whether our ability to raise capital remained constrained through 2020 and our share price in the doldrums, I am pleased to say that neither proved to be the case by the time the year was out. The second half of 2020 saw us raising money at ever increasing prices, testament to the great results we were getting at Clogau. And our share price recovered from a low of 0.05p in March 2020 to a high for the financial year of 0.54p in September 2020, a rally of more than 10 times. While our share price has recently come off those highs, it still represents a dramatic improvement on the position which prevailed this time last year.

As for COVID-19, things seem to be improving finally, after what has been a particularly bleak time for us all here in the UK. As for Greenland, we are hopeful that the travel restrictions there will start to be lifted sufficiently in the next few months to enable us to get our drill teams and rigs into the country this summer so that we can drill both the Amitsoq Graphite and the Thule Black Sands Ilmenite Projects. Mark Austin, our Senior Geologist & COO, and his team are busy putting the final touches on those drill programmes as I write.

1.2 DETAILED REVIEW OF THE 2020-21 FINANCIAL YEAR AND SUBSEQUENT ACTIVITIES

(a) CLOGAU-ST DAVID'S GOLD MINE, WALES

We have made great progress at Clogau-St David's in the past 12 months towards our goal of getting the Mine back into commercial production. A number of milestones have been reached in that time:

Underground Drilling

A phase 1 underground drilling programme was successfully completed, with seven drill holes completed for a total of 560 metres. All seven drillholes intersected quartz veining, the known geological setting of all historic gold production at the Clogau-St David's Gold Mine, validating Alba's geological model, with gold assays returning grades up to 1.79 g/t. Alba believes the drilling to have intersected a 550-metre westerly extension to the Main Lode, the source of most historic production at the Clogau-St David's Gold Mine.

Surface Drilling

A phase 1 surface drilling programme was successfully completed, targeting a zone below the Llechfraith mine area. While it had originally been planned to drill only three holes from the first collar location, the success of the first holes in hitting significant quartz veins within about a 15-metre zone of one another has led the Company to the belief that this indicates the presence of a significant vein system below the deepest previously worked zone at the Llechfraith mine area. As a result, we ended up drilling a total of ten holes from this same location, which has enabled us to more clearly define the significant dimensions of this lode system.

Alba now projects the newly identified vein system as having a strike extent of up to 52 metres, as well as extending 122 metres below the deepest previously worked zone at the Llechfraith mine area.

In April 2021 we announced the assay results from this phase 1 surface drilling campaign. Gold mineralisation was confirmed across several individual zones up to one metre thick, with individual values up to 4.25 g/t. The intersection of values strongly reinforces our view that the newly modelled zone, which we are calling the Llechfraith Lode, is a key target for future development and production at Clogau-St David's. The results add weight to our objective to dewater the Llechfraith Shaft as soon as possible to allow direct access to the on-reef development.

Also in April 2021, we announced that we had started the second phase of the Company's surface drilling programme at Clogau-St David's. This phase of drilling is targeting what we believe to be the westerly, 550-metre extension to the Clogau Main Lode, which was identified during the underground drilling last year (see above). This programme is currently ongoing.

Bulk Sampling

A phase 1 underground bulk sampling programme was successfully completed, with seven bulk samples collected for a total of 36 tonnes of material. The processing of a small quantity of that bulk sample at a third-party processing facility validated the Company's process flowsheet and confirmed the production of a 20.7 grams per tonne gold concentrate.

The Company purchased and installed new items of plant at the mine site, notably an impact crusher and gold concentrator. The Company's dedicated pilot gold processing plant became fully operational in January 2021.

Pitting of Waste Rock Dump

In April 2021 we carried out evaluation pitting of the historic waste rock dump at Clogau-St David's. The waste rock dump contains material derived from the internal development of the Mine during past periods of production. The dump is estimated to cover about 30,000 square feet and to contain 20,000 tonnes of rock. Several pits were dug, with around 15 tonnes of material extracted per pit. The material was then screened and a sample of the finer material from each pit sent for gold assaying offsite. Results are awaited.

Llechfraith Dewatering

After the year end we submitted an application for a bespoke water discharge permit to allow the lower workings in the Llechfraith Shaft to be dewatered so that we can then undertake underground drilling and bulk sampling directly from that key zone.

Regional Exploration

The completed first phase of surface trenching validated our regional geological model, by uncovering multiple quartz veins in the target area identified during Alba's extensive soil sampling programme, including a 2.1 metre width quartz vein, comparable with the widths of the worked veins in the Clogau-St David's Gold Mine. While the assays only returned low-grade anomalism, this is not unexpected given the irregular distribution of gold through the Clogau vein system.

Permitting

The Crown Estate agreed to extend the duration of our exclusive exploration licence over the Clogau-St David's Gold Mine. We had originally been awarded a six-year exclusive exploration licence, termed an Option Agreement, with effect from 10 February 2015. The licence has now been extended for a further four years (until 9 February 2025), being the maximum extension possible under the terms of the original licence. As and when we are ready to proceed to commercial production, we will apply to convert the exploration licence into a formal, long-term lease.

(b) GWYNFYNYDD GOLD MINE, WALES

Towards the end of the year, we were awarded the exclusive exploration rights to the Gwynfynydd Gold Mine in north Wales for a period of six years. The Gwynfynydd Gold Mine is the second largest producer of gold in the UK's history, after the Clogau-St David's Gold Mine. With this award, Alba now has the exclusive exploration rights over the entire length of the Dolgellau Gold Belt.

The Gwynfynydd Gold Mine has historically produced around 45,000 ounces of gold at a mining grade of 15 grams/tonne. Commercial operations at Gwynfynydd ceased in 1999 when the gold price was only around US\$300 per ounce. Gwynfynydd shares many of the same geological and mineralogical characteristics of Clogau, enabling Alba to roll out the same modern exploration and development methods which have been successfully deployed at Clogau-St David's.

(c) GREENLAND MINING PROJECTS

Work at our mining sites in Greenland was severely constrained during the year due to travel restrictions imposed by Greenland in the face of the Coronavirus pandemic.

Thule Black Sands Ilmenite Project (TBS)

TBS benefits from an existing defined JORC-compliant Inferred Mineral Resource of 19 million tonnes at 43.6% Total Heavy Minerals, with an in-situ ilmenite grade of 8.9%, one of the highest in-situ grades of any ilmenite project in the world.

Mineral sands specialists IHC Robbins were appointed to carry out a comprehensive metallurgical process development and test work programme on a bulk sample which we collected from TBS during the last field programme there. The test work programme is designed to confirm the ilmenite products to be produced from TBS ilmenite and to provide product samples to enable potential customers and offtake partners to carry out their own confirmatory analyses.

Amitsoq Graphite Project

In relation to Amitsoq, during the year graphite specialists ProGraphite of Germany undertook a test work programme in relation to Amitsoq graphite. This reaffirmed that the graphite content of Amitsoq ore is very high, indeed amongst the highest found in flake graphite deposits globally. It also demonstrated that a >96% graphite concentrate can be produced and that purification test work confirms the suitability of Amitsoq graphite for Lithium-Ion Batteries ("LIBs"), with standard alkaline purification, in particular, achieving a carbon level of above 99.95%, the grade needed for the production of spherical graphite for LIBs. LIBs are already the fastest growing market for flake graphite, with massive growth rates forecast for the next decade.

Alba also commissioned Dr John Arthur CGeol, FGS, to prepare an Exploration Target for the Amitsoq Project. Dr Arthur has determined that the volume and grade ranges for:

(a) the Amitsoq Deposit Exploration Target are between 1.7 and 4.5 million tonnes (assuming a density of 2.63t/m³) with a grade range of between 24-36% Graphitic Carbon; and

(b) the Kalaaq Deposit Exploration Target are between 4.0 and 7.0 million tonnes (assuming a density of 2.63t/m³) with a grade range of between 23-29% Graphitic Carbon.

This translates into a tonnage estimate of between 408,000 and 1,620,000 tonnes for the Amitsoq deposit and between 920,000 and 2,030,000 tonnes for Kalaaq and gives us great confidence as we move into the drilling phase at the Project.

Legal & Regulatory

In response to the COVID-19 pandemic, the Government of Greenland decided to reduce to zero the exploration expenditure obligations for all mineral exploration licences for both 2020 and 2021 and to extend the duration of all existing licences by two years to reflect the difficulty of progressing exploration projects in Greenland since last year. All of Alba's Greenland exploration licences have therefore benefited from these measures in full.

During the year, we decided to reduce some of our exploration landholdings in Greenland, reducing our Amitsoq, Inglefield and Melville Bay licence areas. These reductions did not affect any of the key areas of interest across our licences. Expenditure commitments in Greenland are largely a function of the size of licences held, so this process of regular review and refinement allows us to keep our expenditure commitments under control. No changes were made to the licence area for Alba's 100% owned TBS.

(d) LIMERICK BASE METALS PROJECT

After the year end, the mineral exploration licence for our 100% owned Limerick Base Metals Project, PL 3824, was renewed until 26 May 2022. A prospectivity review of the licence area has identified the Coonagh Castle Fault as one of main faults transecting the Limerick Basin and concluded that being able to determine the trace of the fault to within tens of metres on surface is crucial to the success of future drilling.

Subsequent interpretation of Tellus and satellite (Sentinel) imagery for the Alba licence area has identified three principal exploration target areas within PL 3824, each exhibiting a number of the structural and geological features found in Zinc-Lead deposits in the Irish Zinc Ore Field.

These results support Alba's decision to renew PL 3824 and to recommence exploration activities at the Project.

(e) HORSE HILL OIL FIELD, ENGLAND

During the year, various interventions were made to the Horse Hill-2z ("HH-2z") horizontal well by the Operator, Horse Hill Developments Limited ("HHDL"), under the management of its major shareholder, UK Oil & Gas Plc ("UKOG"), to stop the ingress of formation water which was inhibiting oil production. However, ultimately UKOG was not able to resolve these issues sufficiently well.

While UKOG initially reported that it was reviewing a number of options for the future use of HH-2z, after the end of the year it confirmed that it planned to reconfigure HH-2z into a water re-injection well as soon as practicable, subject to regulatory consent. The reasons given for this were that it would remove the need for costly off-site water disposal and also help maximise oil recovery from HH-1 by supporting reservoir pressure.

While it is disappointing that HH-2z was not successful as an oil producer, Alba's technical team had flagged concerns from the outset as to the significant challenges that lay ahead in UKOG attempting to drill a horizontal well into this reservoir. While we would have much preferred not to be proven correct in this particular instance, it should also be said that in our view the failure of HH-2z has no bearing on the merits of drilling successive vertical wells into both the Portland and Kimmeridge oil pools, and I return to this subject below.

As for the original Horse Hill-1 well ("HH-1"), an intervention was completed to reperforate the full Portland oil-producing section, and this was followed by an ongoing series of production optimisation trials. UKOG reported after the year end that these trials are expected to continue for several months but that the early results were encouraging, with stable water influx levels achieved by the end of 2020.

During the year, the Oil and Gas Authority ("OGA") approved the Horse Hill Field Development Plan ("FDP") and consented to the start of long-term production from the field. This key consent should enable net recoverable reserves to be allocated to the field, which is important for future potential debt-based funding for the field.

In January 2021, UKOG reported that the Horse Hill Oil Field had to date produced and exported over 132,000 barrels of Brent quality crude from its Kimmeridge and Portland oil pools. It also reported that it had completed the interpretation of data from the November 2020 pressure build-up ("PBU") test sequence, confirming the HH-1 connected oil in place volumes of 7-11 million barrels previously reported in October 2018. The PBU data also helped to identify a potentially significant contribution to Portland fluid flow from a natural fracture system. UKOG reported that the integration of the PBU data, HH-2z rock data and a revised seismic interpretation has provided a far better understanding of the Portland reservoir. As a result, it reported that several significant infill drilling opportunities have been identified in the Portland oil pool, all up-dip of HH-1 (i.e., at a shallower depth within the oil pool) and significantly above the oil-water contact.

UKOG also reported that further development of the Kimmeridge oil pool remains a significant objective. It announced plans to drill an infill well to determine the lateral extent of the Kimmeridge oil pool, proven by HH-1 to lie within a natural fracture system of significant vertical extent. It said that the Kimmeridge HH-4 well, also situated up-dip of both HH-1 and HH-2z, is likely to be a highly inclined or "slant" well, so as to maximise the number of open fractures penetrated. UKOG reported that it expected to drill these Portland (HH-3) and Kimmeridge (HH-4) infill wells following its completion of an appraisal drilling campaign on another project (unrelated to Horse Hill).

We are encouraged by UKOG's revised strategy for the exploitation of the Horse Hill Oil Field. Their confirmation of the connected oil in place volumes of 7-11 million barrels from the Portland oil pool alone highlights the untapped production that remains in the Portland, production that cannot hope to be fully realised from HH-1 alone. The plans, therefore, to drill another two vertical wells up-dip of HH-1 are welcome, not least in the light of the sustained rally in the oil price over the past year or so.

Also encouraging is the Operator's reaffirmation of the potential of the Kimmeridge oil pool. HH-1 has already proven the Kimmeridge's ability to contribute substantial production to the overall field, so there is certainly merit in testing the Kimmeridge's producibility from a new vertical well. We look forward to UKOG delivering on this revised and reaffirmed strategy for enhancing production and delivering on the inherent value of the Horse Hill Oil Field.

Following a review carried out by the Company in connection with the preparation of these accounts, the Directors have determined that the fair value of the Company's investment in HHDL should be revised down to a figure of £4,000,000 (2019: £5,430,000). The Directors commissioned a third-party market-based valuation of Alba's investment.

2. CORPORATE AND FINANCIAL

During the year, we announced that we had entered into an unsecured financing of up to £767,000 (which could be increased by mutual consent to up to £1,054,500) with US-based institutional investment fund, Bergen Global Opportunity Fund, LP (the "Investor") (the "Financing"). The Financing was structured by way of the issue by Alba to the Investor of up to five unsecured convertible securities, the first issued at a discount with the subsequent four at zero-coupon. The Financing was structured in such a way as to provide Alba with access to capital at regular intervals over a period of 18 months, allowing us to fund key value-enhancing work activities across our mining portfolio.

In March 2020, we announced that we had closed the first tranche of funding under the Financing, with Alba issuing the first convertible security referred to above and receiving payment of £192,000 from the Investor. However, in October 2020 we announced that we had terminated the Financing and would not be issuing any further convertible securities or receiving any further funding under it. While the Financing had provided the Company with access to a significant capital runway and timely access to funding, given that the onset of the Coronavirus pandemic in early 2020 had resulted in the capital markets becoming severely constrained for secondary placings. Once the markets had stabilised, however, we found ourselves able to raise money more competitively by undertaking straight share placings through our new brokers, ETX Capital, rather than via the funding line available under the Financing.

Through ETX Capital, we raised £450,000 in early August 2020 (at a placing price of 0.065p), £1.3 million in September 2020 (placing price: 0.275p) and £1.2 million in November 2020 (placing price: 0.375p). Each placing included attaching warrants on the basis of 1 warrant for every two shares issued, with the warrant exercise price set in each case at a 100 per cent premium to the placing price. To date, a further £742,100 has been raised through the exercise of share warrants.

During the year, Mark Austin joined us as Alba's Senior Geologist. Mark has significant management and operational experience in a career spanning four decades across a range of commodities, but with a particular focus on gold. Mark's experience includes being a Non-Executive Director at Central Rand Gold Limited (2015-2017), Group Geologist for Goldplat plc and CEO of its subsidiary Kilimapesa Gold (Kenya) (2007-2013), Vice President-Exploration for Mano River Resources Plc (2006-2007) and Senior Exploration Geologist for Placer Dome Exploration (Africa-Eurasia) Ltd (2005-2006). Towards the end of the year, we announced that Mark had been appointed as Alba's Chief Operating Officer.

In December 2020, we strengthened our Board through the appointment of Elizabeth Henson and Lars Brünner as Non-Executive Directors. Elizabeth was, from 2007-2019, a senior international tax partner for PricewaterhouseCoopers LLP (PwC), based in London. As for Lars, from 2014-2020 he was the Arctic Mining and Environment, Business Development Leader for Golder Associates A/S, a leading international mining and environmental consultancy firm. These high-calibre appointments are indicative of Alba management's determination to keep pushing the Company in the right direction and striving for excellence on all levels, both in the quality of our projects, in our technical work and in the depth of our management team.

At the same time, Manuel Lamboley stepped down from the Alba Board and took up a consultancy role for the Company, advising Alba on access to European markets and joint venture partners.

3. EVENTS AFTER THE REPORTING PERIOD

Key announcements after the reporting period are noted in the Review of Activities above and in Note 4 to this announcement.

4. OUTLOOK

The outlook for Alba is strong. We intend to spend the next six months or so continuing our push to prove up sufficient new mineralised zones at Clough-St David's to make a compelling case for bringing the Mine back into commercial production.

As I write, we are putting the finishing touches on summer drilling programmes for both the Thule Black Sands Ilmenite and Amitsoq Graphite Projects in Greenland. While we are not yet certain that Greenland's current Coronavirus measures, notably the restrictions on travel into the country, will allow these programmes to proceed, and we also recognise that a spike in cases may lead to additional restrictions being imposed, as things stand we are confident that these drilling programmes will go ahead. The drilling at TBS will be aimed at significantly increasing our JORC Resources there, as well as moving some of our existing Inferred Resources into the Indicated category, meaning that they can be stated with a higher level of confidence. With this achieved, we will be able to start planning in earnest to move the TBS project into the development phase, including commencing discussions with potential offtake partners.

At Amitsoq, drilling will be aimed at defining a maiden JORC Resource for the project. This, together with the excellent results we obtained in a test work programme which was conducted in Germany, will position Amitsoq for fast-track development and to capitalise on the surge in demand for battery-grade graphite emanating from the electric vehicle sector.

Our focus at Alba has always been about building sustained value and growth for our shareholders. With that in mind, we have been exploring how best to unlock value in those of our assets in our portfolio which we consider to be undervalued. Most pertinently, this applies to our Greenland mining project portfolio ("**Greenland Projects**"). This includes two assets with particularly strong potential, Amitsoq (graphite) and Thule Black Sands (ilmenite), plus one other, Melville Bay (iron ore), which deserves renewed attention given the significant rally in the iron ore price over the past 12 months.

One way to unlock greater value in our Greenland assets would be to enter into a joint venture with third parties. This would set a market price for the Greenland Projects and provide a validation of their potential by virtue of a third party committing to spend money on them. There are, however, many uncertainties in going down this route, prime among them of course being that there is no guarantee that we would be able to conclude joint ventures on acceptable terms.

After assessing all the alternatives, the Alba Board has determined that the best way to unlock real value in our Greenland assets is to divest the Greenland Projects into a separate vehicle which, subject to regulatory approval, will be admitted to trading on AIM ("**Greenland Listco**"). It is intended that Greenland Listco will acquire the Greenland Projects (see Table 1 below) for shares and simultaneously undertake an IPO (Initial Public Offering) fundraising to secure the necessary working capital to fast-track the development of the Greenland Projects.

Table 1: The Greenland Projects

Project	Exploration Licence	Historic cost at 30 November 2020
Amitsoq Graphite Project	MEL 2013-06	£788,360
Thule Black Sands Ilmenite Project	MEL 2017-29	£587,766
Inglefield Land Multi-Element Project	MEL 2018-25	£199,412
Melville Bay Iron Project	MEL 2017-41	£112,061

The rationale for a stand-alone listing for our Greenland assets is:

- (1) That the Board consider the Greenland Projects to be materially undervalued within the current Alba asset portfolio.
- (2) Moving the Greenland Projects into a new listed vehicle will allow the market to set a clear value for those assets in isolation rather than as part of a larger pool of diverse mining, oil and gas and exploration assets, as is currently the case. The potential for obtaining a significant stand-alone valuation is evident, when one has regard to the market capitalisations of other listed mineral exploration and development companies whose principal mining assets are in Greenland (see Table 2 below).

Table 2: Greenland-Focused Listed Mining Companies (information as at 14 May 2021)

Company	Market	Market Cap	GBP Equivalent	Main Project	Status
Bluejay Mining Plc	AIM	GBP £90m	£90m	Dundas Titanium	Development
Greenland Minerals & Energy Limited	ASX	AUD\$127m	£70m	Kvanefjeld REE-Uranium	Development
AEX Gold Inc	AIM and TSX-V	GBP £51m	£51m	Nanulaq Gold	Development
Hudson Resources Inc.	TSX-V	CAD\$29m	£17m	White Mountain Anorthosite	Exploitation
Ironbark Zinc Limited	ASX	AUD\$26m	£15m	Citronen Lead-Zinc	Exploration
North American Nickel Inc	TSX-V	CAD\$29m	£17m	Maniitsoq Nickel	Exploration

As can be seen from Table 2, the only other Greenland-focused vehicle quoted solely on AIM is Bluejay Mining Plc (market capitalisation of £90m at 14 May 2021), whose ilmenite project, Dundas, is on the same coastline as the Thule Black Sands ilmenite deposit. The Board of Alba is of the view that, given the plan to drill a more sizeable JORC-compliant Resource at Thule Black Sands this year, there is great potential for Greenland Listco's market capitalisation to increase significantly following the completion of the drilling programme.

- (3) Alba will retain substantial upside in the Greenland assets post disposal because, in consideration for the sale of the assets to Greenland Listco, Alba will receive a significant shareholding in Greenland Listco. Further, as Greenland Listco's management team will be focusing all its efforts on growing the value of its Greenland asset portfolio, we would hope to see Alba's stake in Greenland Listco also grow ever more valuable.
- (4) At the same time as retaining that upside through its stake in Greenland Listco, Alba would no longer have to meet any of the funding obligations for the Greenland Projects. These are likely to be significant in the medium to long-term, as Greenland Listco seeks the development capital to progress at least one, if not more, of its projects into the development stage and ultimately into production.
- (5) Not having to fund the Greenland Projects will inevitably mean less dilution for Alba shareholders, as it would significantly reduce our need to seek further capital from the public markets.
- (6) With the Greenland Projects divested, Alba will be able to focus on its UK and Irish portfolio of precious and base metal projects which, in our view, are what have fired the Company's growth over the past 12 months.
- (7) Greenland Listco will, in turn, be able to focus solely on the development of its Greenlandic assets, including raising money from investors and institutions who are specifically interested in those assets and/or in Greenland and therefore much more likely to be long-term investors. Greenland is expected to play an increasingly important strategic and geopolitical role on the world stage and in the global mining sector in the coming years. With its pure Greenland focus, Greenland Listco will be able to benefit from this increased exposure and interest in the country from foreign investors and sovereign states.
- (8) Looking to the future, Alba may choose to sell down some of its stake in Greenland Listco, once the post-IPO lock-in period has expired, or it may decide to retain its shares in Greenland Listco for the long-term or, at least, until its stake in Greenland Listco has increased significantly in value. The point is that, as a result of the disposal, Alba's stake in the Greenland Projects would become a liquid, tradeable asset, which in itself could add significant value to the Alba Group's balance sheet. This is not the case at present, with those assets being held within the Alba Group and being valued purely on a historical cost basis.

For all these reasons, the Alba Board has concluded that the case for divesting of the Greenland Projects into a Greenland-dedicated listed vehicle is an overwhelmingly strong one. We will, therefore, be seeking the admission of a new English public company to the AIM market, subject to the necessary regulatory approvals. That company will own 100% of the Amitsoq Graphite, Thule Black Sands Ilmenite, Melville Bay Iron and Inglefield Multi-Element Projects. The name chosen for Greenland Listco will be disclosed in due course.

Further announcements will be made as the transaction progresses towards completion.

Finally, I would like to take this opportunity to thank our shareholders for all their support and encouragement over the past 12 months, during which we have all had to face unprecedented challenges. Rest assured, however, that the Alba Board has emerged stronger and more determined than ever to make Alba a great success story.

George Frangeskides
Executive Chairman
19 May 2021

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

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.

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CONSOLIDATED INCOME STATEMENT

For the year ended 30 November 2020

	2020	2019
	£	£
Revenue	-	-
Cost of sales	-	-
Gross loss	-	-
Administrative expenses	(543,942)	(772,849)
Impairment of intangible assets	-	(539,554)
Operating loss	(543,942)	(1,312,403)
Revaluation of investment	(1,430,000)	-
Finance costs	(105,595)	-
Loss for the year before tax	(2,079,537)	(1,312,403)
Taxation	-	-
Loss for the year	<u>(2,079,537)</u>	<u>(1,312,403)</u>
Attributable to:		
Equity holders of the parent	(2,078,897)	(1,311,172)
Non-controlling interests	(640)	(1,231)
	<u>(2,079,537)</u>	<u>(1,312,403)</u>
Loss per ordinary share		
Basic and diluted	(0.047) pence	(0.039) pence

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 November 2020

	2020	2019
	£	£
Loss after tax	(2,079,537)	(1,312,403)
Items that may subsequently be reclassified to profit or loss:		
- Foreign exchange movements	(61,406)	39,040
Total comprehensive loss	(2,140,943)	(1,273,363)
Total comprehensive loss attributable to:		
Equity holders of the parent	(2,140,303)	(1,272,132)
Non-controlling interests	(640)	(1,231)
	(2,140,943)	(1,273,363)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 November 2020

	2020	2019
	£	£
Non-current assets		
Property, plant and equipment	111,038	85,000
Intangible fixed assets	3,526,317	3,050,430
Investments - Horse Hill Developments Limited	4,000,000	5,430,000
Investments - other	-	11,125
Total non-current assets	7,637,355	8,576,555
Current assets		
Trade and other receivables	1,196,006	81,460
Cash and cash equivalents	1,512,031	211,333
Total current assets	2,708,037	292,793
Current liabilities		
Trade and other payables	(257,047)	(356,232)
Financial liabilities	(41,134)	(137,312)
Total current liabilities	(298,181)	(493,544)
Net current assets / (liabilities)	2,409,856	(200,751)
Net assets	10,047,211	8,375,804
Capital and reserves		
Called up share capital	4,983,956	4,582,983
Share premium account	9,360,248	7,128,257
Warrant reserve	1,286,785	722,998
Reserve for warrants to be issued	416,044	-
Retained losses	(6,153,136)	(4,273,794)
Foreign currency reserve	168,612	230,018
Equity attributable to equity holders of the parent	10,062,509	8,390,462
Non-controlling interests	(15,298)	(14,658)
Total equity	10,047,211	8,375,804

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 November 2020

	Share capital £	Share premium £	Warrant reserve £	Warrants to be issued reserve £	Profit and loss £	Merger reserve £	Foreign currency reserve £	Attributable to equity holders £	Non-controlling interest £	Total £
At 30 November 2018	4,099,233	6,786,382	624,039		- (3,167,943)	200,000	190,978	8,732,689	(266,501)	8,466,188
Loss for the period	-	-	-	-	(1,311,172)	-	-	(1,311,172)	(1,231)	(1,312,403)
Translation differences	-	-	-	-	-	-	39,040	39,040	-	39,040
Comprehensive loss for the period	-	-	-	-	(1,311,172)	-	39,040	(1,272,132)	(1,231)	(1,273,363)
Shares and warrants issued	483,750	389,375	21,875	-	-	-	-	895,000	-	895,000
Share issue costs	-	(47,500)	-	-	-	-	-	(47,500)	-	(47,500)
Transfer on write-down of investment	-	-	-	-	200,000	(200,000)	-	-	-	-
Equity settled share-based payments	-	-	82,405	-	-	-	-	82,405	-	82,405
Transfer on expiry of warrants	-	-	(5,321)	-	5,321	-	-	-	-	-
Owner's contribution	-	-	-	-	-	-	-	-	253,074	253,074
At 30 November 2019	4,582,983	7,128,257	722,998		- (4,273,794)	-	230,018	8,390,462	(14,658)	8,375,804
Loss for the period	-	-	-	-	(2,078,897)	-	-	(2,078,897)	(640)	(2,079,537)
Translation differences	-	-	-	-	-	-	(61,406)	(61,406)	-	(61,406)
Comprehensive loss for the period	-	-	-	-	(2,078,897)	-	(61,406)	(2,140,303)	(640)	(2,140,943)
Shares and warrants issued	239,681	2,301,273	744,786	416,044	-	-	-	3,701,784	-	3,701,784
Shares issued on conversion	161,292	136,708	-	-	(75,000)	-	-	223,000	-	223,000
Share issue costs	-	(205,990)	-	-	-	-	-	(205,990)	-	(205,990)
Equity settled share-based payments	-	-	93,556	-	-	-	-	93,556	-	93,556
Transfer on exercise or expiry of warrants	-	-	(274,555)	-	274,555	-	-	-	-	-
At 30 November 2020	4,983,956	9,360,248	1,286,785	416,044	(6,153,136)	-	168,612	10,062,509	(15,298)	10,047,211

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 November 2020

	2020 £	2019 £
Cash flows from operating activities		
Loss before tax	(543,942)	(1,312,403)
Consulting fees settled in shares	12,500	-
Share based payment charge	93,556	82,405
Impairments of intangible assets	-	539,554
Change in fair value of other investments	11,125	(3,964)
Foreign exchange revaluation adjustment	(61,406)	45,614
Increase/(decrease) in creditors	(89,394)	44,474
Decrease/(increase) in debtors	13,453	(19,566)
Net cash used in operating activities	(564,108)	(623,886)
Cash flows from investing activities		
Payments for deferred exploration expenditure	(482,777)	(522,179)
Payments for intangible fixed assets	-	(165,897)
Payments for tangible fixed assets	(26,038)	-
Net cash used in investing activities	(508,815)	(688,076)
Cash flows from financing activities		
Proceeds from the issue of shares and warrants	2,422,899	895,000
Costs of issue	(105,000)	(47,500)
Proceeds from short term borrowings	-	90,000
Proceeds from issue of convertible loan notes	192,000	-
Financing costs	(37,200)	-
Repayment of short term borrowings plus financing costs	(99,078)	-
Net cash generated from financing activities	2,373,621	937,500
Net increase/(decrease) in cash and cash equivalents	1,300,698	(374,462)

Cash and cash equivalents at beginning of period

211,333

585,795

Cash and cash equivalents at end of year

1,512,031

211,333

Non-cash transactions

The significant non-cash transaction in the period was the revaluation of the Group's investment in Horse Hill Developments Limited, impairing the value by £1,430,000. This is not included in operating costs so is not reflected in the cash flow statement above.

Significant non-cash transactions in the prior period were impairment charge against intangible assets.

Accruals includes capital items of £52,135 (2019: £59,025).

NOTES

1. BASIS OF PREPARATION

Alba Mineral Resources plc is a public limited company incorporated and domiciled in England & Wales, whose shares are publicly traded on the AIM market of the London Stock Exchange plc. The registered office address is 6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR.

The financial information set out in this announcement does not constitute the statutory accounts of the Group for the years ended 30 November 2020 or 30 November 2019. The financial information has been extracted from the statutory accounts of the Group for the years ended 30 November 2020 and 30 November 2019.

The auditor, Nexia Smith & Williamson, has reported on the statutory accounts for the years ended 30 November 2020 and 2019; the audit reports were unqualified and did not contain statements under either section 498(2) or 498(3) of the Companies Act 2006.

However, in their report on the statutory accounts for the prior year ended 30 November 2019 the auditor drew attention to the material uncertainty which existed with respect to the ability of the group to continue as a going concern.

The consolidated financial statements have been prepared on the historical cost basis, save for the revaluation of certain financial assets.

During the year ended 30 November 2020 the Group adopted IFRS 16 Leases but this did not have a material effect on the results of the Group. Otherwise there were no changes to the Group's accounting policies for the year ended 30 November 2020 as compared to those published in the statutory financial statements for the year ended 30 November 2019.

This announcement was approved by the Board on 19 May 2021.

2. GOING CONCERN

Based on financial projections prepared by the Directors, the Group's current cash resources are sufficient to enable the Group to meet its recurring outgoings and projected exploration expenditure for the entirety of the next twelve months.

The Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

3. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributed to ordinary shareholders of £2,078,897 (2019: £1,311,172 loss) by the weighted average number of shares of 4,421,614,727 (2019: 3,403,506,056) in issue during the year. The diluted loss per share calculation is identical to that used for basic loss per share as warrants are not dilutive due to the losses incurred.

4. EVENTS AFTER THE REPORTING PERIOD

Corporate

On 8 December 2020 the Group announced changes to the membership of the Board, with Manuel Lambole stepping down as a Non-Executive Director and Elizabeth Henson and Lars Brünner being appointed as Non-Executive Directors.

During the period since year end the Company has announced several exercises of share warrants.

As detailed in this announcement, the Directors have approved in principle the divestment of the Group's Greenland projects to a new Greenland-focused AIM-listed entity which will own and operate those assets.

Mining Projects

Clogau Gold Project

On 2 December 2020 and 21 December 2020 the Group gave updates on the progress of a surface drilling campaign at the Clogau-St David's Gold Mine.

On 8 January 2021 the Group announced the results of processing of a small bulk sample and that the pilot processing plant was expected to be operational within a week.

On 2 February 2021 the Group gave a further update on activities at the Project.

On 11 February 2021 the Group announced that The Crown Estate has agreed to extend the duration of the Company's exclusive exploration licence over the Clogau-St David's Gold Mine in north Wales for a further four years, being the maximum extension possible under the terms of the original licence. As such, the Exploration Licence will now remain in full force and effect until 9 February 2025.

On 2 March 2021 the Group announced that the phase one surface drilling programme indicates that the newly identified vein system at the Llechfraith mine area has a strike extent of 58 metres.

On 12 March 2021 the Group updated with further results from the surface drilling and said that the newly identified vein system at the Llechfraith mine area has a down dip extent of 122 metres below the existing workings.

On 12 April 2021 the Group announced the commencement of the second phase of surface drilling, the Clogau Main Lode extension.

On 13 April 2021 the Group announced that an evaluation of the historic waste rock dump was being undertaken.

On 23 April 2021 the Group reported the full results of the phase 1 surface drilling.

Dolgellau Gold Exploration Project (encompassing licence areas in the Dolgellau Gold Belt excluding the established mine sites)

On 17 December 2021 the Group announced the results of the trenching programme at the Project.

On 24 February 2021 the Group announced the latest phase in its regional gold exploration activities, a stream sediment sampling programme.

Limerick Base Metals Project

On 7 January 2021 the Group announced that the mineral exploration licence for the Limerick Base Metals Project, PL 3824, has been renewed until 26 May 2022.

On 9 April 2021 the Group announced that a structural review of the Limerick licence had identified three principal target exploration zones.

Greenland Projects

On 7 January 2021 the Group announced that the Government of Greenland had decided to roll over to 2021 the initiatives which were first applied in 2020 in response to the COVID-19 pandemic, so that for all mineral exploration licences in Greenland the exploration expenditure obligations for the year 2021 will be reduced to zero and the existing licence period will be extended by one year.

Amitsoq Graphite Project

On 9 February 2021 and on 28 April 2021 the Group announced the results of metallurgical test work on samples taken from the Amitsoq Graphite Project.

On 7 May 2021 the Group declared exploration targets for the Project.

5. REPORTS AND ACCOUNTS

The statutory accounts for the year ended 30 November 2020 were approved by the Board of Directors on 19 May 2021, will be sent to shareholders of the Company in due course and will be delivered to the Registrar of Companies. The report and accounts will also be made available on the Company's website: www.albamineralresources.com. The statutory accounts for the year ended 30 November 2019 have been delivered to the Registrar of Companies.

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