

Alba Mineral Resources plc

("Alba" or the "Company")

**Alba Moves to 100% Ownership of Clogau Gold Mine
& Operational Update**

Alba Mineral Resources plc (AIM: ALBA) is pleased to announce that it has agreed to acquire the remaining 10% interest in Gold Mines of Wales Limited ("GMOW") to take 100% ownership of the Clogau Gold Project (the "Project"). Situated within the Dolgellau Gold Belt in Wales, United Kingdom, the Project comprises the Clogau Gold Mine (the "Mine"), where Alba has identified a number of highly prospective gold targets through extensive exploratory drilling in 2020-21, as well as a large number of gold targets and former gold workings outside of the footprint of the Mine within a total option area of 106.94 km².

Alba is also pleased to provide an operational update which covers the dewatering of the Llechfraith Shaft, one of the priority targets within the Mine, as well as confirmation of the renewal of the licence to the Limerick Base Metals Project.

Highlights

- Alba to acquire remaining 10% of the Clogau Gold Project, taking its total ownership of the Project to 100%.
- Alba to buy back a 3% net smelter return royalty owned by the vendor, reducing the royalty to 1%, as well as a residual ~£72,000 of loans held by the vendor.
- Total consideration payable is £400,000
 - o Payable by the issue of 200 million Alba ordinary shares at a price per share of 0.2p (the "Consideration Shares"), being a premium of 25 per cent to the closing share price of 0.16p on 22 August 2022, plus 81,930,830 two-year share warrants with an exercise price of 0.4p per share.
 - o Consideration Shares to be subject to a 12-month lock-up/orderly marketing restriction.
- Good progress made in further ecological surveying/data generation in support of plan to dewater Llechfraith Shaft at Clogau Gold Mine.
 - o Alba expects to submit updated ecological/technical report and renewed permit applications in first half of September.
- Alba's Limerick Base Metals Project licence renewed for two further years.

George Frangeskides, Alba's Executive Chairman, commented:

"It is a measure of our confidence in the long-term prospects for the Clogau Gold Project that we have taken the opportunity to move to 100% ownership of the Project. The 10% minority stake was free carried to commercial production and the vendors also held a 4% net smelter return royalty over the Project, so acquiring both the free carried interest as well as 75% of the royalty greatly improves the economic viability of the Project for Alba. At the same time, any concerns regarding the market impact of the issue of Alba shares has been addressed by a lock-up of the consideration shares for six months plus a further six-month orderly marketing restriction. We have also negotiated to issue the consideration shares at a significant premium to the last closing price, reducing the dilutive effect of the transaction.

"On the matter of the dewatering of the Llechfraith Shaft, over the past few months we have carried out supplementary ecological surveying to generate further supporting data as well as adding to our proposed mitigation scheme for the dewatering, all of which elements are being incorporated within a revised ecological and technical report for submission to NRW in the first half of September. We remain confident that our application for dewatering will ultimately be successful.

"Finally, we have renewed the licence to our Limerick Base Metals Project in advance of the drilling which we intend to undertake there this year, as soon as we have the permits in hand."

Acquisition Terms

Alba has agreed to acquire the remaining 10% of the Clogau Gold Project, taking its total ownership of the Project to 100%. The 10% stake being acquired by Alba's 100%-owned subsidiary, Dragonfire Mining Limited, was free carried to commercial production, meaning that the owner, Victorian Gold Limited, did not have to contribute to any of the exploration and development costs being incurred by Alba.

At the same time, Alba has agreed to buy back a 3% net smelter return royalty owned by the vendor, reducing its royalty to 1%, as well as acquiring the residual ~£72,000 of loans held by the vendor.

An estimated value of £214,000 was attributed to the 10% interest in the Group accounts for the year ended 30 November 2021, however this did not include any value for the future free carry benefit, which the Directors consider to be material. The Group had not attributed a value to the royalty in the Group accounts as at 30 November 2021.

The total consideration for these acquisitions is £400,000, payable by the issue of 200 million Alba ordinary shares at a price per share of 0.2p, being a premium of 25 per cent to the closing share price of 0.16p on 22 August 2022, plus 81,930,830 share warrants with an exercise price of 0.4p per share and an expiration date of two years from the date of issue.

The Consideration Shares will be subject to restrictions on disposals comprising a six-month lock-up (no disposals to be undertaken without Alba's prior consent) and a further six-month orderly marketing restriction (disposals only to be permitted in consultation with Alba so as to maintain an orderly market in Alba shares).

Alba has also agreed that if at any time in the five years following Completion it should acquire the exclusive right to explore for and/or exploit the Clogau Project licence area or any part of it for copper, the vendor shall have the right to a 10% working interest in those copper rights, to be enshrined in a formal joint venture agreement. The prospectivity of the Dolgellau Gold Belt for copper has been long known. In the first half of the nineteenth century, the most important mines in the Mawddach Valley included the Vigra and Old Clogau copper mines, both of which are situated within the area covered by Alba's Clogau exploration licence (which only covers gold and silver). It is believed that the two decades from 1825 to 1845 covered the principal era of copper working.

Completion of the acquisition is scheduled to occur in the next few days and a further announcement will be made in due course.

Clogau Operational Update

In November 2021, the regulator, Natural Resources Wales ("NRW"), refused the Company's permit application to dewater the Llechfraith Shaft, situated below the Llechfraith Adit level. The dewatering exercise is a necessary first step in gaining access to the Llechfraith Payshoot, one of Alba's primary in-mine targets. In March 2022, Alba submitted additional data and analysis to the regulator. Following the receipt of its feedback in respect of those submissions, the Company and its professional consultants have in the past few months implemented an extension to the programme of ecological and species surveys in order to expand the ecological dataset generated by the Company during the past 3-4 years.

The Company's ecological consultants are in the process of updating the previously submitted ecological and technical report. Once the survey data for August is incorporated, the Company intends to submit the revised report and renewed dewatering applications in the first half of September. The Company remains confident that it will ultimately be successful in its bid to dewater the shaft.

Limerick Update

The mineral exploration licence for the Company's 100% owned Limerick Base Metals Project, PL 3824, has been renewed until 26 May 2024. The Project is situated in the world-class Irish Zinc Ore Field, the location of a number of high-grade zinc-lead deposits.

The expenditure conditions attaching to the renewal of PL 3824 require the Company to incur expenditure of €38,087 by 31 December 2022 with a further €62,500 to be spent by 26 May 2024.

As previously announced, the Company has identified three principal exploration target areas for follow-up drilling at Limerick. Accordingly, applications for the necessary drill permits have been submitted with the aim of commencing drilling before the end of 2022.

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.

****ENDS****

For further information, please visit www.albamineralresources.com or contact:

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Alba's Projects and Investments

<i>Mining Projects Operated by Alba</i>	<i>Location</i>	<i>Ownership</i>
Clogau (gold)	Wales	100%
Dolgellau Gold Exploration (gold)	Wales	100%
Gwynfynydd (gold)	Wales	100%
Limerick (zinc-lead)	Ireland	100%
<i>Investments Held by Alba</i>	<i>Location</i>	<i>Ownership</i>
GreenRoc Mining Plc (mining)	Greenland	54%
Horse Hill (oil)	England	11.765%

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