RNS Number : 7411X
Alba Mineral Resources PLC
31 August 2022

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

HALF-YEARLY REPORT

The Board of Directors of Alba Mineral Resources plc (the "Company" or "Alba") is pleased to report the Company's interim results for the six months ended 31 May 2022. They incorporate the results of its subsidiary companies Aurum Mineral Resources Limited ("AMR"), Mauritania Ventures Limited ("MVL"), Dragonfire Mining Limited ("DML"), the Gold Mines of Wales group of companies ("GMOW"), GMOW (Gwynfynydd) Limited, GreenRoc Mining Plc, Obsidian Mining Limited ("OML"), White Eagle Resources Limited ("WERL") and White Fox Resources Limited ("WFRL") (together, the "Subsidiary Companies", collectively with Alba, the "Group").

CHAIRMAN'S STATEMENT

I am pleased to present shareholders with a review of our activities in the six months to 31 May 2022.

Strong progress has been made during this period. At the Clogau-St David's Gold Project, the analytical work we carried out on our drill core has given us further confidence in the potential of our two primary targets, the Lower Llechfraith and the Main Lode Extension, to host high-grade gold resources. Regarding the Lower Llechfraith target, we recently announced that good progress has been made in completing further ecological surveying and data generation in support of our plan to dewater the Llechfraith Shaft and that we expect to submit an updated technical report and renewed permit applications to the regulator in the first half of September.

Outside of the mine area at Clogau, the second phase of our exploratory work at the historic waste tip was very successful. We returned average assay grades of 3.5 g/t and the gold concentrates that we produced at our on-site pilot plant had an average grade of 502 g/t, indicating that there is real potential for the waste tip to be mined for gold as a standalone exercise to the rest of the mine.

Great progress has also been made at GreenRoc Mining Plc, which listed last year and in which we hold a majority interest. A maiden JORC Resource was announced at GreenRoc's exceptionally high-grade Amitsoq Island graphite deposit and, as I write, a follow-up drilling campaign is well underway at Amitsoq, and with more drilling still to be completed, already looks to have doubled the footprint of the deposit.

1. REVIEW OF ACTIVITIES

1.1 WELSH GOLD

(Clogau-St David's, Gwynfynydd, Dolgellau Exploration Project)

In December 2021, we announced that an analysis of the assays from our Phase 1 & 2 underground and surface drill core and additional in-mine rock samples had identified four distinct geochemical groupings, with the most important grouping, the auriferous vein ("AV") group, being directly comparable to the basket of metals found in the bonanza-grade gold stage described in historical ore mineralogy assessments for the Dolgellau Gold Field, as well as being present in all key target structures identified to date.

This detailed multi-element analysis of the core samples from all our drilling at Clogau has provided further validation of the key targets we have identified from that work. This includes our two priority targets: the Lower Llechfraith, below the Llechfraith Adit, where drilling has proven vein continuity up to ~122 m below existing workings; and the Main Lode System Extension, where drilling has defined a previously unknown Lode (termed the New Branch Lode) whilst also intercepting the 7-10 Lode and Grandfathers Payshoot at up to ~60 m below existing workings.

The fact that we have identified the same multi-element signature in these areas as was found in the bonanza-grade gold stage at Clogau gives us a great deal of confidence in the prospects for these new zones to host high-grade gold deposits.

As shareholders will be aware, prior to the reporting period the regulator, Natural Resources Wales ('NRW'), turned down our 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 Lower Llechfraith area. During the reporting period, Alba submitted additional supporting data and analysis to NRW and, following the receipt of subsequent feedback from the latter, the Company and its professional consultants have extended the programme of ecological and species surveys to add to the ecological dataset generated by the Company during the past 3-4 years.

Alba's ecological consultants are in the process of updating our previously submitted Report to Inform a Habitat Regulations Assessment. We intend to submit the revised Report and renewed dewatering applications in the first half of September, and we remain confident that we will ultimately be successful in our bid to dewater the shaft.

Since 2021, we have been engaged in the exploration of the historic Waste Tip at Clogau as a stand-alone project outside the envelope of the mine. During the reporting period, a second phase pitting and sampling exercise was completed at the Waste Tip, focusing on the higher-grade zones identified from our previous work. Following clearance from NRW, five pits were dug within an area of 400m^2, with 60 kg samples of fines material from each pit then being submitted for independent assaying.

The assay results returned gold grades of up to 11.35 g/t, with whole-sample analysis averaging up to 3.50 g/t, in line with the Phase 1 results. Further size fraction analysis has highlighted how gold is concentrated in the finest material (<1 mm) extracted from the Waste Tip.

Subsequent independent assays of the gold concentrates produced from the processing of the fines material at our on-site pilot plant returned gold concentrate grades of up to 1,000 g/t with an average grade of 502 g/t. This average concentrate grade translates to an average head grade of 1.7 g/t, significantly higher than the average of 0.95 g/t achieved from the first phase sampling of the same pits, indicating that the sampling exercise under-represented the overall grade due to the nuggety effect of the ore.

The Company is now engaged in an economic assessment of the Waste Tip and the formulation of a mining plan, which will lead to a formal planning application to commercially produce gold from the Waste Tip's estimated 4,000 tonnes of fines material.

In other developments outside of the main mine area, our aeromagnetic survey contractor, UAVE Limited, has been engaged in the process for obtaining permission to carry out an unmanned aerial vehicle ("UAV")-borne geophysical survey to map the magnetic properties of the subsurface below the key targets which we identified in our extensive 2019 geochemical survey programme.

Being able to pinpoint the bedrock sources of these geochemical anomalies will have significant implications for both regional exploration and the identification of further near-mine resource opportunities. However, the UK Civil Aviation Authority having notified us that the next available slot to carry out the survey would be in November 2022, when the weather window for completing the flights is likely to be limited, it has been decided to defer the survey till next spring.

1.2 GREENROC MINING PLC

(Amitsoq Graphite, Thule Black Sands Ilmenite, Melville Bay Iron and Inglefield Multi-Element)

Alba holds a 54% majority interest in GreenRoc Mining Plc ("GreenRoc"). Because of this, Alba's consolidated financial statements include GreenRoc and its subsidiaries.

GreenRoc was admitted to trading on AIM last September with the objective of becoming a key supplier of critical, high-demand minerals and has already made great strides towards this goal. During the reporting period, GreenRoc made significant progress in relation to its flagship projects, Amitsoq (graphite) and Thule Black Sands ("TBS") (ilmenite), as summarised below.

At Amitsoq, a maiden JORC Resource was announced in March 2022 at the Amitsoq Island deposit of 8.3 million tonnes ("Mt") at an average grade of 19.75% graphitic carbon ("Cg"), confirming Amitsoq to be among the very highest-grade graphite deposits in the world. Meanwhile, the Exploration Target for the Amitsoq Island deposit has increased to 5-15Mt at a grade range of 18-22% Cg, and for the separate Kalaaq deposit has increased to 6-10 Mt at a grade range of 17-33% Cg.

A drilling programme is ongoing at the Amitsoq Island deposit this summer, targeting a significant increase in the JORC Resource there. As of 14 August 2022, nine holes had been completed for a total of 1,360m, with all holes intersecting the targeted graphite layers, thereby extending the deposit to the west by about 100m and to the northwest by about 150m, essentially doubling the deposit footprint and supporting the significant additional resource potential in the project.

To date, 16 intersections of UGL and LGL greater than 3.0m each have been drilled at Amitsoq this summer, with all holes having at least one mineable graphite layer intersection greater than 5.25m. Drilling to date gives strong confidence that a higher-tonnage, higher-category Resource can be established in support of feasibility studies.

As for TBS, following the 2021 drill programme there, a revision to the current maiden JORC Resource of 19Mt at 8.9% in-situ ilmenite is expected in the coming weeks. Bathymetric surveying is being undertaken at TBS this summer to provide data for the planning of port facilities.

Environmental and Social Impact Assessment consultants have been engaged to commence work on the EIA and SIA studies necessary for future exploitation licence applications, and this will be the focus of work following the end of the summer field programmes.

Stefan Bernstein, a senior geologist with considerable experience in the Greenland mining sector, was appointed CEO of GreenRoc in May 2022.

Further details are set out in GreenRoc's interim results announcement of 10 August 2022.

1.3 IRISH BASE METALS

Post period end, the mineral exploration licence for Alba's 100% owned Limerick Base Metals Project, PL 3824, was renewed until 26 May 2024.

We have identified three principal exploration target areas for follow-up drilling at Limerick. Applications for the necessary drill permits have been submitted and we remain on track to commence drilling before the end of this year.

1.4 HORSE HILL

On 18 February 2022, the Operator of the Horse Hill Oil Field, in which Alba holds an 11.765% interest, announced that the Court of Appeal had confirmed that the existing production licence had been granted lawfully and that the field could remain in production until the end of its commercial life. The Operator has since announced that the claimant has been given a final legal avenue to appeal to the Supreme Court, which if pursued would be expected to be heard some time from Q2 2023 onwards.

On 5 May 2022, the Operator announced the grant of a full Production Permit ("PP") from the Environment Agency, enabling production and water re-injection operations, incineration of waste gas, maintenance/workovers and the drilling of further development wells under a single permit, an improvement from the umbrella of testing permits previously in place.

Later that month, the Operator announced a one-year extension to the Retention Area work programme, granting an additional year in which to drill a second Horse Hill Kimmeridge well, with the commencement of drilling to be prior to 30 September 2023.

2. CORPORATE

On 19 January 2022, the Company announced that the Chairman, George Frangeskides, had purchased 10,221,909 ordinary shares in the Company at an average price of 0.1475p per share, taking his holding to 48 million shares or 0.75% of the Company's issued share capital.

Post-period end (see the RNS of 23 August 2022), Alba announced the acquisition of the remaining 10% minority interest in the Clogau-St David's Gold Project, resulting in Alba moving to 100% ownership of the Project. The Company now owns 100% of all of its Welsh gold projects. As part of the acquisition, Alba also bought back 3% of the net smelter return ("NSR") royalty held by the minority party, leaving it with a 1% NSR royalty. The reduction in the royalty is regarded as important for the future economics of the Project. The total consideration payable by Alba is £400,000, to be settled in Alba ordinary shares at a price per share of 0.2p, a premium of 25% above 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. The consideration shares will be subject to a 12-month lock-up/orderly marketing restriction.

3. RESULTS

The Group made a loss of £815,000 after tax (2021: £568,000), reflecting increased costs due to there being a second AIM-listed entity within the Group in the period under review, of which the loss attributable to equity holders of the parent for the period were £592,000 after taxation (2021: £567,000). Administrative costs were lower for the period under review, but certain transaction fees relating to the GreenRoc IPO had been incurred.

At the end of the reporting period, the Group's cash was £2,024,000. Net cash outflows were £1.9m, including £0.94m expenditure on exploration projects and fixed assets in the six months being reported.

Intangible assets increased by £3m from the comparative interim period last year, reflecting the Group's investment in exploration in Wales and in Greenland since 31 May 2021.

The basic and diluted loss per share was 0.009 pence (2021: 0.009 pence).

4. OUTLOOK

Alba remains in a strong position to generate real and sustained growth across its portfolio of assets and investments and also continues to assess opportunities to expand its portfolio value by the acquisition of additional complementary assets.

On behalf of the entire Board, I would like to take this opportunity to thank our shareholders for all their support.

George Frangeskides
31 August 2022
Executive Chairman

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 Company's ability to execute and implement future plans, and the occurrence of unexpected events. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

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

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Alba's Projects and Investments

Mining Projects Operated by Alba	***Location***	***Ownership***
Clogau (gold)	Wales	90%
Dolgellau Gold Exploration (gold)	Wales	90-100%
Gwynfynydd (gold)	Wales	100%
Limerick (zinc-lead)	Ireland	100%
Investments Held by Alba	***Location***	***Ownership***
GreenRoc Mining Plc (mining)	Greenland	54%
Horse Hill (oil)	England	11.765%

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 MAY 2022

	Unaudited 6 months ended 31 May 2022 £'000	Unaudited 6 months ended 31 May 2021 £'000	Audited Year ended 30 Nov 2021 £'000
Other income	-	-	23
Administrative expenses	(814)	(372)	(1,067)
Transaction-related professional fees	-	(196)	-
Operating (loss)/profit	(814)	(568)	(1,044)
Revaluation of financial liability	-		(180)
Revaluation of investment	-	-	(615)

Finance costs	(1)	-	(1)
(Loss)/profit before tax	(815)	(568)	(1,840)
Taxation	-	-	-
(Loss)/profit for the year	**(815)**	**(568)**	**(1,840)**
Attributable to:			
Equity holders of the parent	(592)	(567)	(1,699)
Non-controlling interests	(223)	(1)	(141)
	(815)	(568)	(1,840)
Loss per ordinary share			
Basic and diluted	(0.009) pence	(0.009) pence	(0.027) pence

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2022

	Unaudited 6 months ended 31 May 2022 £'000	Unaudited 6 months ended 31 May 2021 £'000	Audited Year ended 30 Nov 2021 £'000
Non-current assets			
Property, plant and equipment	153	140	137
Intangible fixed assets	7,030	4,106	6,110
Investments - Horse Hill	3,385	4,000	
Developments			3,385
Investments -other	-	-	-
Total non-current assets	10,568	8,246	9,632
Current assets			
Trade and other receivables	211	269	178
Cash and cash equivalents	2,024	1,620	3,948
Total current assets	2,235	1,889	4,126
Current liabilities			
Trade and other payables	(383)	(475)	(671)
Financial liabilities	(221)	(41)	(221)
Total current liabilities	(604)	(516)	(892)
Net current assets / (liabilities)	1,631	1,373	3,234
Net assets	**12,199**	**9,619**	**12,866**
Capital and reserves			
Called up share capital	5,005	4,987	5,005
Share premium account	9,877	9,444	9,877
Warrant reserve	1,444	1,385	1,425
Dilution of ownership reserve	991	-	991
Other reserve	115	-	89
Retained losses	(7,958)	(6,351)	(7,421)
Foreign currency reserve	169	169	168
Equity attributable to equity holders of the parent	9,643	9,634	10,134
Non-controlling interests	2,556	(15)	2,732
Total equity	**12,199**	**9,619**	**12,866**

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 31 MAY 2022

	Unaudited 6 months ended 31 May 2022	Unaudited 6 months ended 31 May 2021	Audited Year ended 30 Nov 2021
Cash flows from operating activities			
Operating loss	(814)	(568)	(1,044)
Loss on disposal	-	-	9
Consulting fees settled in shares	-	-	32
Share based payment charge	147	52	237

Depreciation	3	-	5
Foreign exchange revaluation adjustment	1	-	(1)
Increase / (decrease) in creditors	(288)	271	386
(Increase)/ decrease in debtors	(33)	(225)	(110)
Net cash used in operating activities	(984)	(470)	(486)
Cash flows from investing activities			
Payments for deferred exploration expenditure	(919)	(632)	(2,544)
Payments for tangible fixed assets	(20)	(5)	(31)
Net cash used in investing activities	(939)	(637)	(2,575)
Cash flows from financing activities			
Proceeds from issue of shares and warrants	-	1,287	1,295
Cost of issue	-	(72)	(72)
Proceeds from issue of shares and warrants - Greenroc	-	-	5,075
IPO transaction costs	-	-	(800)
Finance expense	(1)	-	(1)
Net cash generated from financing activities	(1)	1,215	5,497
Net increase in cash and cash equivalents	(1,924)	108	2,436
Cash and cash equivalents at beginning of period	3,948	1,512	1,512
Cash and cash equivalents at end of period	**2,024**	**1,620**	**3,948**

NOTES TO THE HALF-YEARLY FINANCIAL INFORMATION

1. Basis of preparation

The Group consolidates the financial statements of the Company and its subsidiary undertakings.

The financial information has been prepared under the historical cost convention in accordance with International Financial Reporting Standards ("IFRS"), International Accountant Standards ("IAS") and IFRS Interpretations Committee ("IFRIC") interpretations as adopted by the European Union. The financial information set out in this half-yearly report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The same accounting policies, presentation and methods of computation are followed in this interim condensed consolidated report as were applied in the Group's annual financial statements for the year ended 30 November 2021. The auditor's report on those financial statements was unqualified and did not contain any statements under section 498(2) or section 498(3) of the Companies Act 2006.

2. Taxation

No charge for corporation tax for the period has been made due to the expected tax losses available.

3. Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of £591,000 (May 2021: loss of £567,000; November 2021: loss of £1,699,000) by the weighted average number of shares of 6,404,645,919 (May 2021: 6,209,415,290; November 2021: 6,303,890,811) in issue during the period. The diluted loss per share calculation is identical to that used for basic loss per share as the exercise of warrants would have the effect of reducing the loss per ordinary share and therefore is not dilutive under the terms of Financial Reporting Standard 22 "Earnings Per Share".

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