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

Alba Secures up to £1,054,500 Investment Facility

Alba Mineral Resources plc (AIM: ALBA), the diversified mineral exploration and development company, is pleased to announce that it has entered into a convertible securities issuance deed (the "Agreement") with a U.S.-based institutional investment fund managed by Bergen Asset Management, LLC to provide up to £1,054,500 of funding in the form of the issuance by the Company of unsecured zero coupon convertible securities (the "Convertible Securities").

Highlights

- Unsecured financing in the amount of £767,000 (which can be increased by mutual consent to up to £1,054,500), provided by U.S. based institutional fund, Bergen Global Opportunity Fund, LP ("Investor").

- Financing will be structured by way of the issue by the Company of zero-coupon, unsecured Convertible Securities, the initial tranche of which will be redeemable at a premium to the subscription price.

- The Investor will have the right to convert the Convertible Securities into Alba ordinary shares ("Shares") based on the volume-weighted average price ("VWAP") of Alba shares during a specified period prior to conversion or, in respect of a limited amount of Convertible Securities, at £0.001625.

- The financing is structured in such a way as to provide Alba with funding at regular intervals over the next 18 months, allowing the Company to fund key value-enhancing work activities across its mining portfolio. Such further funding will be subject to the fulfilment, at each funding stage, of certain conditions and warranties by the Company.

George Frangeskides, Executive Chairman of Alba, commented:

"This financing provides Alba with a significant funding source for the year ahead. In traditional private placements, placing shares are issued up-front and therefore the full dilutionary impact occurs on the closing of the placing. By contrast, the structure of this financing package provides the Company with an opportunity to increase its share price during the course of this year which, if successful, would mean that the shares would be issued at higher prices, resulting in less dilution for existing shareholders."

"The terms of this financing incorporate a significant degree of flexibility for Alba, including the ability to pause the funding tranches and even to terminate the financing early. This means that the Company has secured not only an important funding stream, but also has the ability to draw a line under the financing as and when our divestment strategy comes to fruition and generates sufficient funds by itself to enable us to drive our key projects forward without the need for external financing."

Terms of Issue

The Convertible Securities will (subject to satisfaction of certain conditions) be issued in up to five tranches as follows:

- The initial Convertible Security will have the purchase price of £192,000 and a nominal value of £223,000 and will be issued at the First Closing which is expected to take place in the next seven days.

- The second Convertible Security (which will have the purchase price and nominal value of £192,000) will be issued four months after the Company's next shareholders' meeting (intended to be held on or before the end of April 2020).

- The third Convertible Security (which will have the purchase price and nominal value of £153,000) and the fourth and fifth Convertible Securities (which will each have the purchase price and nominal value of £115,000) will each be issued four months after the issue date of the preceding Convertible Security.

The total funding represented by the above Convertible Securities, amounting to £767,000, may be increased to up to £1,054,500 by mutual consent of the Company and Investor. Each of the Convertible Securities will have a term of 24 months from its issue date.

The Investor may elect to reduce the amount of Convertible Securities, in the case of the second and third Convertible Securities, to an amount equivalent to 3% of the Company's market capitalisation as at the date of issue of those Convertible Securities and, in the case of the fourth and fifth Convertible Securities, to an amount equivalent to 2% of the Company's market capitalisation as at the date of issue of those Convertible Securities.

Each Convertible Security will be issued subject to the satisfaction of certain conditions precedent. The Company will make an announcement upon the issue of each Convertible Security.

In connection with the Agreement:

- The Company will pay the Investor a commencement fee of 30,000,000 Shares ("Commencement Fee Shares"). The Company will apply for admission of these Shares to trading on AIM, which is expected to become effective on or about 27 February 2020.

- The Company will issue to the Investor 18,000,000 Shares at par (i.e. £0.001 per share), and the Investor will pay for those Shares at par at the First Closing (being the date of issue of the first Convertible Security) ("Collateral Shares"). The Company will apply for admission of these Collateral Shares to trading on AIM, which is expected to become effective on or about 27 February 2020.

- The Investor may be required to make a further payment to the Company in relation to the Collateral Shares once all of the obligations of the Company under the Agreement have been finally met and no amount remains outstanding to the Investor, depending on the market price of Shares at that time.

- The Company will issue 28,000,000 share warrants to the Investor with an exercise period of 24 months from the date of issue, entitling the Investor to subscribe for one Share per Warrant at an exercise price per share of £0.001625 (the "Warrants"). The Warrants will be issued on customary terms. If exercised in full, the Warrant holders will hold 28,000,000 Shares (aside from any Shares held as a result of conversion of the Convertible Securities), or about 0.75% of the total enlarged issued ordinary share capital of the Company.

- Application will be made to the London Stock Exchange for the admission to trading on AIM of all Shares issued and allotted upon exercise of the Warrants and upon conversion of the Convertible Securities. The Convertible Securities will only be issued to the extent that the Company has corporate authority to do so.

Conversion and Redemption

The Convertible Securities will be convertible into Shares, in whole or in part, at the option of the Investor. The conversion price will be, at the Investor's election: (a) the average of five daily volume-weighted average prices ("VWAP") of the Shares on AIM during a specified period preceding the relevant conversion ("Conversion Price A") or (b) (as to no more than £192,000 of the Convertible Securities), £0.001625 (being 135% of the average of the daily VWAPs during the 20 consecutive trading days before the execution date of the Agreement). The Company will make an announcement each time any Convertible Securities are converted in whole or in part and will specify in such announcement the relevant conversion price.

Each Convertible Security will have a maturity of two years. To the extent that, as at the maturity date for a Convertible Security, there remains an amount outstanding in respect of that Convertible Security (i.e. because the Investor has not elected to convert all of that Convertible Security into Shares), the Company may elect at maturity either to issue to the Investor such number of Shares as is determined by dividing the amount outstanding by Conversion Price A or to pay to the Investor the amount outstanding.

The Company will have the right to repurchase the initial Convertible Security for cash at 100% of its nominal value (without a fee or penalty) within 90 days following its issue, save that the Investor may in turn elect to exclude up to

30% of the nominal value of that Convertible Security from that early redemption.

In the event that, upon exercise of any conversion rights, the Conversion Price would have been less than the par value of the Shares at the time of such exercise, the Company shall make an additional issuance of Shares to the Investor to make up the difference in value that the Investor would otherwise have lost.

Restrictions agreed by the Company

For the duration of the Agreement and for a limited period thereafter while the Investor still holds shares in the Company or is still owed any sums by the Company:

(a) the Company has agreed not to enter into any other structured equity financings of a similar type to the present financing, save that this shall not preclude the Company from undertaking private placements of the type it has undertaken in the past; and

(b) the Company has agreed not to undertake certain actions without the Investor's written approval (e.g. to dispose of a substantial part of its assets other than on arm's length terms, to change the nature of its business or to incur indebtedness that ranks senior to or pari passu with the present financing).

Further, so long as there are amounts outstanding to the Investor, the Company has given certain customary undertakings in respect of its share capital, including not to modify the rights attaching to Shares or to reduce its share capital and to ensure that the Company retains sufficient share allotment authorities at all times.

Restrictions agreed by the Investor

The Investor has agreed to certain limits on its ability to dispose of Shares following a conversion of the Convertible Securities. The Investor is also contractually precluded from short-selling the Shares or undertaking certain other prohibited activities in relation to the Shares.

Postponement and termination rights

The Company will have the right not to issue Convertible Securities after the issue of the first Convertible Security if the market price of Shares in a prescribed period is less than a floor price of £0.0012 ("Floor Price"). The Company shall also have the right to terminate the financing at any time on payment of a cancellation fee of £30,000. Upon termination, any tranches of Convertible Securities which have yet to be issued will no longer fall to be issued.

If the daily VWAP per Share is equal to or less than the Floor Price for two consecutive trading days, the Investor may elect to postpone a subsequent issue of Convertible Securities by up to 60 days and, in the absence of a

recovery in the share price, not to advance the subsequent tranches. If the VWAP recovers above the base price, the Company may, in certain circumstances, give notice to reinstate the postponed issue of Convertible Securities.

Either the Company or the Investor may postpone the issue of any of the 2nd to 5th Convertible Securities by up to 60 days. This right may only be exercised by each of the parties once, in respect of one tranche of Convertible Securities.

Use of proceeds

The proceeds from the issue of the Convertible Securities will be used by the Company to advance its work programmes at the Clogau Gold Project and Amitsoq Graphite Project in particular, and for general working capital purposes.

Shareholders' meeting

Given that the Company's shares have recently traded on-market at prices that are only marginally higher than their current par value of £0.001, the Company will convene and hold a general meeting at which resolutions shall be proposed for the purpose of effecting a reduction in the par value of the Shares so that the par value of one Share shall become £0.0001. Such reduction in the par value of a company's shares is a legal mechanism permitted under UK companies legislation and is often effected for reasons of administrative convenience and efficacy and is not intended or expected to have any bearing on the market value of the Shares. The number of Shares in issue will remain unchanged if these resolutions are passed. These resolutions will be included within the notice of Annual General Meeting ("**AGM**") for the Company's AGM which is expected to be held in April 2020. If these resolutions are passed, all relevant fixed conversion, floor and base prices under the Agreement will be amended in the same proportion as the change in par value.

Total voting rights

Following admission of the Commencement Fee Shares and Collateral Shares, the total number of ordinary shares in issue will be 3,793,351,946. The Company does not hold any ordinary shares in treasury. Therefore, the total number of ordinary shares with voting rights will be 3,793,351,946. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

About Bergen Asset Management LLC

Based in the U.S., Bergen Asset Management, LLC is an institutional investor with a particular focus on direct investments in small-cap companies around the world.

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

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Alba's Project and Investment Portfolio

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