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Alba Mineral Resources plc

("Alba" or the "Company")

Update on Work Activities at the
Clogau-St David's Gold Mine

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.

Key Points

- Underground drilling
  - Four drill holes so far completed for a total of 252 metres
  - Permitting extension obtained to enable underground drilling to continue until end October
  - Contractors appointed to refurbish circa 600 metres of existing pipework within Llechfraith adit to provide pressurised air for drilling and future development
- Underground bulk sampling
  - Four bulk samples collected for a total of 12 tonnes of material
- Surface drilling
  - Notification submitted to the local planning authority for the first (up to 1500 metre) phase of drilling of the planned up to 5,000 metre surface drilling programme (targeting a start date in the first half of November 2020)
- Pilot processing plant
  - Gold concentrator and impact crusher ordered from South Africa
- All other work activities and studies at Clogau progressing well

Alba's Executive Chairman, George Frangeskides, commented:

"Our team has so far made great progress in our underground drilling and bulk sampling programme at Clogau. We are delighted to have secured an extension to our permits meaning we will be able to continue drilling underground into October. That should then enable us to swing directly into the first phase of our surface drilling programme, the notification for which

has been submitted to the local planning authority. We have also ordered from APT in South Africa the remaining items of plant that we need to complete our pilot gold processing plant."

"Our programme of works at Clogau-St David's is multi-faceted, so as well as drilling and bulk sampling we are pushing forward our plans to dewater the Llechfraith mine section, one of our most promising targets, to sample the historical waste tip for gold and to carry out surface trenching and sampling of the first of the many regional gold targets which have been identified by our team."

Underground Drilling

Alba's drilling contractors, MED Limited, have so far completed four drill holes to date, as shown in Figure 1 in the PDF version of this announcement, which also shows the length of each completed hole.

The Company has obtained permission to continue drilling into October 2020. Drilling is currently paused but will resume in the first half of October for 2-3 weeks, targeting the balance of the underground targets that are yet to be drilled. Based on drilling rates to date, Alba expects to have completed around 400-450 metres of drilling in total by the end of this underground drilling campaign.

The Company has appointed Matt Durbin Associates (MDA), a highly experienced confined space engineering firm who have carried out all the in-mine rehabilitation and safety works for Alba at the Clogau Mine, to undertake the rehabilitation of approximately 600 metres of existing pipework at the Llechfraith Adit level. The rehabilitation of this pipework will be invaluable in providing pressurised air throughout the Mine, to support not only the Company's underground drilling but also its future development of the Mine.

Bulk Sampling Programme

Alba's team has collected 12 tonnes of material from four targets.

A decision will be made as to whether to continue bulk sampling during October 2020, or to focus solely on further underground drilling, and will be advised on resumption of work activities later this month.

Surface Drilling

Notification has been formally made to the local planning authority for a diamond drilling campaign of up to 1,500 metres in total that will be carried out from surface. The drill programme has been designed to target mineralisation below the existing mine workings at the Llechfraith mine area (see location map at Figure 3 in the PDF version of this announcement), thus testing the continuation of mineralisation at depth.

This programme of up to 1,500 metres is the first phase of a longer-term drilling programme of up to 5,000 metres to test areas of interest that cannot be easily or safely accessed from underground. The balance of this proposed 5,000 metre programme will be the subject of separate notification to the local planning authority in due course.

Figure 4 in the PDF version of this announcement displays the workings below the Llechfraith Adit entrance, where gold mineralisation was mined as recently as the 1980s. The red lines mark the extent and trend of mined structures from compiled records, with the potential depth extension highlighted by the dashed segments.

This phase of the drill programme will target the potential depth extensions of the historically worked lodes (or veins) below the old workings at the Llechfraith mine area. The strike and dips of these structures are highlighted by the underground workings, and the plunges of potential ore shoots have been inferred through the spatial connection of historic areas of mining on the section plan. These boreholes are designed to test such observations and identify currently undeveloped potential.

This zone was previously successfully targeted during Alba's drilling in November 2019. As reported in the Company's RNS of 28 January 2020, both main drill holes completed in that programme, GMOW002 and GMOW003, intersected a sequence of intrusive greenstones or microdiorite followed by a shear zone dominated by intermixed Clogau shale and quartz veining, this being the known gold-bearing geological setting at the Llechfraith mine area. This is significant as it has confirmed that the gold-bearing geology continues down dip of the deepest worked level, being the No.4 Level. See Figure 5 in the PDF version of this announcement, which shows the location and orientation of the November 2019 drilling.

By stepping out the drilling so that the drill collar is set further away from the Mine area, the next phase of drilling at the Llechfraith mine area is designed to intersect the quartz vein at a higher, and therefore more favourable, angle to dip. See Figure 6 in the PDF version of this announcement, which shows the location of the primary drill collar which has been proposed for this next phase of surface drilling, as well as the location of the November 2019 drilling (which, as can be seen, was considerably closer to the existing mine workings).

The first three drill holes planned (LL001 - LL003 on said Figure 6) are to be drilled from a single drill pad, with the potential to drill at least three further holes from an additional site close by. The drill holes are each planned to have a maximum depth of 250 m and a minimum depth of 100 m, although the precise depth, orientation and dip of each drill hole and the total number of holes are subject to possible adjustment in the field to take account of local conditions as well as ongoing results.

Subject to there being no objections raised by the competent planning authority to the notification that has been lodged by the Company, and all other third party consents being obtained on a timely basis, the Company expects to be able to commence this first phase of surface drilling in the first half of November 2020.

Pilot Gold Processing Plant

As referred to in the Company's announcement of 22 July 2020, the Company will be establishing its own pilot processing plant at or close to the Mine site.

The Company has placed a firm order with Appropriate Process Technologies (APT) of South Africa, leading mining equipment manufacturers, for the remaining capital items required for the pilot plant. This includes an impact crusher capable of processing 3 tonnes per hour and a gold concentrator capable of processing 1.5 tonnes per hour.

Given the current lead times for manufacturing and shipping, the Company now expect the pilot plant to be fully operational sometime in Q4 2020, this being subject to the timely receipt of regulatory approvals and no additional delays being encountered in the shipment of those ordered items.

Other Work in Progress

(1) Underground 3D scanning

Alba's contractor has completed the 3D-scanning of the mine workings at the Llechfraith level, to enable the Company's existing 3D mine model to be completed. Alba is now awaiting delivery of the completed product. This work is an important step in the establishment of geological targets and for mine planning purposes.

(2) Surface trenching of the Dolgellau Gold Belt ("DGB")

As regards the Company's regional exploration of the DGB, as previously reported Alba's 2019 regional geochemical soil sampling programme resulted in 10 significant anomalies being identified away from all known major mines and gold mineralisation being confirmed over about a six-mile section of the DGB.

As previously announced, the next phase of work over the DGB will involve the surface trenching of a selection of those 10 new gold targets. Eight trenches have been planned in the first phase, each varying in length from 40-90m for a total of 575m, with each trench being 1m wide and up to 2m deep. Once exposed, the quartz veining and other structures will be sampled, and those samples sent to a laboratory for assaying. As reported on 7 September 2020, planning permission having been granted for this trenching programme, the Company is working to satisfy the conditions to planning, the availability of all contractors has been confirmed and the Company accordingly expects the programme to commence by November 2020.

Dependent on the results achieved in this first phase of trenching, further applications will be submitted to the local planning authority to approve additional phases of trenching over the other gold targets which Alba has identified in the DGB.

(3) Sampling of the historical waste dump at Clogau

The Company has been progressing its consideration of the appropriate methodology for the sampling of the historical waste tip at the Clogau-St David's Mine, and has had initial positive discussions with the competent regulators in this regard.

(4) Dewatering of the Lower Llechfraith mine area

As reported in the Company's announcement of 22 July 2020, the Llechfraith mine area has been identified as the one of the best targets within the existing mine workings and is due to be targeted during the next phase of surface drilling, as described above.

Only the higher workings at Llechfraith are currently directly accessible, the levels below Level 2 being flooded. Dewatering the main Llechfraith shaft would enable the Company to physically access areas where visible gold has been mapped. Geochemical monitoring of the water within and adjacent to the workings is ongoing and continues to indicate that the underground water is benign and that any contaminants are within acceptable levels. Initial positive discussions have been held with the competent regulator in this regard, and the Company's consultant hydrogeologist is in the process of formulating a detailed dewatering plan.

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

Geochemical: *Relates to the chemical composition of the Earth and its rocks and minerals.*

Mineralisation: *Economically important metals that can occur at a variety of scales from small disseminations through to large zones or ore bodies.*

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

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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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