RNS Number : 6203K
Alba Mineral Resources PLC
30 August 2019

Alba Mineral Resources plc

("Alba" or the "Company")

HALF-YEARLY REPORT

The Board of Directors of Alba Mineral Resources plc (the "Company" or "Alba"), the diversified mineral exploration and development company, is pleased to report the Company's interim results for the six months ended 31 May 2019. They incorporate the results of its subsidiary companies Aurum Mineral Resources Limited ("AMR"), Mauritania Ventures Limited ("MVL"), Obsidian Mining Limited ("OML"), White Eagle Resources Limited ("WERL"), White Fox Resources Limited ("WFRL") and Dragonfire Mining Limited ("DML") (together the "Subsidiary Companies", collectively with Alba, the "Group").

CHAIRMAN'S STATEMENT

During the six months to 31 May 2019, we have made significant progress across our portfolio of mining projects and oil & gas investments.

1. REVIEW OF ACTIVITIES

We have made great strides across our range of assets and investments during the period, with significant progress in particular at Clogau, Thule Black Sands and Horse Hill, and with the only definitive reverse having been encountered at Brockham which, it must be stressed, has never been a core asset for the Company.

As announced on 21 August 2019, the Board of Alba recently carried out an operational review of the Company's mining assets and oil & gas investments.

The following review highlights the progress achieved during the period, as well as giving further details regarding the outcome of the Board's recent operational review.

1.1 CLOGAU GOLD PROJECT (WALES)

Significant progress was made at the Clogau Gold Project during the period. Our regional exploration campaign has so far identified ten significant anomalies away from known major mines, with gold mineralisation now confirmed across about nine kilometres of the strike extent of the Dolgellau Gold Belt. Indeed, the largest new anomaly identified has a strike extent of

about 2 kilometres, which is about four times longer than the strike extent of the Clogau-St David's Mine (which was itself by far the UK's largest ever source of gold production).

Potential extensions to existing mines have also been identified, with infill sampling confirming continuity of an anomaly (the "Lowri Target") lying parallel to the Llechfraith adit and a major anomaly (the "Eryn Target") lying above historic Llechfraith workings.

We are now planning the trenching of selected regional gold targets and a drilling campaign to target extensions to Llechfraith mine area. Having completed extensive safety and rehabilitation works within the mine, we have now commenced an underground programme for the clean-up and sampling of broken stock material working from the Tyn Y Cornel (upper) level within the Clogau-St David's Gold Mine.

The Board has determined that the Clogau Gold Project will remain a key focus of the Company's business moving forward, not least for the following reasons:

- the existing significant underground development, which would cost many millions of pounds to construct at today's prices, already in place across five mine areas (albeit there remain areas in need of rehabilitation work);
- the commercial potential of Clogau, which is underpinned by a number of factors including the fact that historic production was from very high-grade pods, the premium price that Welsh gold attracts over normal spot rates and the rising price of gold generally; and
- the untapped gold potential that exists throughout Alba's entire licence area, as illustrated by the ten new gold anomalies that Alba has so far discovered across the Dolgellau Gold Belt, with one anomaly dwarfing the size of the historic Clogau-St David's Mine.

1.2 GREENLAND ASSETS

Thule Black Sands Ilmenite Project ("TBS")

In May 2019, we announced a maiden JORC-compliant Inferred Resource for TBS. The Mineral Resource Estimate prepared by mineral sands specialist IHC Robbins breaks down into three components: an Inferred Resource of 19.0 million tonnes at 43.6% Total Heavy Mineral; an in-situ ilmenite grade of 8.9%; and a contained ilmenite of 1.7 million tonnes.

To achieve a maiden resource at TBS after just one full field season is a phenomenal result. An Inferred Resource of 19 million tonnes is a huge step forward for this high-grade ilmenite project. For a 3 million tonnes per annum mining operation, this would already mean a mine life of more than six years.

The announcement by Bluejay Mining plc (LON: JAY) on 28 May 2019 of its agreement with RTIT, a member of the major mining group Rio Tinto, to analyse ilmenite from Bluejay's 100% owned Dundas Ilmenite Project, which is located on the same coastline as TBS, underlines the potential of this emerging world-class ilmenite province, of which Alba's TBS project forms an integral part.

TBS remains a key asset for the Company. While we are not in the field at TBS this summer, we will assess the conditions for undertaking further field work

there during Q1 of 2020.

Amitsoq Graphite Project

With the exceptionally high graphite grades found at Amitsoq and the fact that it was formerly a producing mine, the Alba Board continues to believe that Amitsoq has significant potential as a development asset.

As previously reported, the next phase of field work at Amitsoq should involve drilling to confirm structure and define a maiden JORC resource. However, with the focus being on field operations at Clogau for the rest of this year, the Board has determined that drilling at Amitsoq should be deferred until 2020.

After the period end, on 21 August 2019 we announced that we had embarked on a phase two metallurgical testwork programme for the graphite derived from Amitsoq. We intend to focus the next six-month period on refining the products and markets for Amitsoq graphite and will look to carry out drilling in 2020.

Inglefield Multi-Element Project

The data from our maiden exploration campaign at the Inglefield Project in 2018, together with all prior data sets from previous campaigns, were the subject of a detailed technical study we commissioned during the period of independent consultants, TECT Geological Consulting and XPotential Geoscientific Consulting, who are experts in structural geology and geophysical data interpretation, respectively. Through this work, TECT and XPotential identified a number of high-priority targets for both Iron Ore Copper Gold ("IOCG") and for carbonate-hosted Zinc-Lead deposits. This is a great encouragement for future field work at Inglefield.

While Inglefield is at an earlier stage than TBS or Amitsoq, the Board considers Inglefield to have significant potential. However, we have decided to defer field work at Inglefield this summer and will re-evaluate the position in Q1 of 2020.

Overall Greenland Strategy

Overall, Alba's Board believes the Company's Greenland mining portfolio to comprise some of the very best assets in that minerals-rich country. However, as it is not currently feasible to allocate significant funds to all of the Company's projects, the Company will be seeking expressions of interest for external investment into the Company's Greenland assets, with a view to substantially de-risking them while retaining a material stake in the upside.

1.3 WEALD BASIN OIL INVESTMENTS (ENGLAND)

Brockham Oil Project

During the period, the Operator at Brockham, Angus Energy, announced that it had successfully perforated Brockham no.4 well as the precursor to commencing commercial flow test operations from the Kimmeridge limestones there. However, Angus then announced that part of the perforated interval

was producing water, which was believed to be inhibiting the flow of oil. Despite subsequently successfully isolating the water-producing zone, Angus was still unable to recover oil to surface, leading it to conclude that in its view it would not be likely for commercial hydrocarbon flow to be achieved from the Kimmeridge layer at Brockham.

We now await the Operator's further advice as to the future of the Brockham licence and site. While the Board is naturally disappointed by the outcome of work activities at Brockham, Alba's investment in Brockham has always been a very small part of Alba's asset portfolio at just 4.1% of the Company's total net assets of £8.5m (see Alba RNS of 28 June 2019).

Horse Hill Oil Project

Steady progress was made at Horse Hill during the period. Operator Horse Hill Developments Limited ("HHDL") announced that it had submitted planning and environmental permit applications for permanent production via a seven-well development. Extended well test operations continued throughout the period at both the Portland Sandstone and the Kimmeridge Limestones, and in August 2019 it was announced that aggregate oil production had reached a milestone of 60,000 barrels.

In June 2019, we announced our decision not to fund the latest cash call received from HHDL. While we have not decided whether we will fund future cash requirements at Horse Hill, it is entirely possible that we will decide not to fund, for a number of reasons including our desire to focus our efforts and expenditure on the mining projects which are under Alba's sole control; also the fact that any dilution of Alba's interest in Horse Hill arising from a decision not to fund will be minimal.

Regardless of whether Alba continues to decline to fund future cash calls, its investment in Horse Hill remains a near-term cash-generative opportunity for the Company. As such, Alba is open to either retaining its stake in the project through to production, when material oil sales revenues should be generated, or to giving serious consideration to any third-party offer received prior to production which properly reflects the inherent value of Alba's stake.

1.4 LIMERICK BASE METALS (IRELAND)

In May 2019 we announced that we had started exploration drilling at our Limerick Zinc-Lead Project. While drilling did not intersect mineralised zones (see our RNS of 18 June 2019), we are of the view that Limerick retains potential and the Company will therefore revisit the possible drilling of one or more further zinc-lead targets in Q1 2020.

2. CORPORATE

On 22 March 2019 we announced that I had subscribed for a total of 8,333,333 shares in the Company and that my fellow Director Michael Nott had subscribed for a total of 6,666,667 shares in the Company, each at a subscription price of £0.003 per share, being a premium of 27.7% above the closing mid-market price on 21 March 2019 of £0.00235.

Shortly after the period end, on 4 June 2019, we announced that we had raised £500,000 (before expenses) through the issue of 250,000,000 new ordinary shares at a price of 0.2 pence per share.

3. RESULTS

The Group made a loss attributable to equity holders of the parent for the period, after taxation, of £375,970 (2018: £380,358). The basic and diluted loss per share was 0.012p (2018: 0.015p).

4. OUTLOOK

The focus of our recent operational review was on determining those assets with the greatest potential to achieve material returns for Alba within the shortest timeframe. The outcome of the review is that those assets currently are Clogau, Amitsoq, TBS and Horse Hill.

After the excellent results we have announced at Clogau at regular intervals over the past 12 months, it should come as no surprise that Clogau will remain a key focus of the business moving forward.

The other asset within our portfolio that has the shortest likely timeline to commercial production is Horse Hill. We have made a large investment in the Weald Basin in the past four years but, going forward, we may well adopt more of a watching brief over our investment as Horse Hill approaches commercial production.

Our focus will be on deploying the Company's funds towards fast-tracking those of our mining assets that can most quickly move into the development and production phases, as that is where Alba will be able to make significant returns for shareholders, with cash-flow generated either from production or, if the right opportunity arises, by selling an asset for a multiple of our total exploration spend.

With that in mind, we have also ranked TBS and Amitsoq as key assets. We will use the next six months to refine the likely products and markets for the high-grade ilmenite from TBS and the high-grade graphite from Amitsoq. At the same time, we will be seeking an appropriate joint venture partner to invest in our Greenland assets, which will help us to de-risk our Greenland portfolio, while retaining material upside from future success.

I believe the course of action identified in our operational review to be the best means to deliver real value for shareholders in the near to medium term. With our priorities so defined, Alba shareholders can expect to see plenty of progress in the coming weeks and months.

George Frangeskides
29 August 2019
Executive Chairman

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 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 contact:

Alba Mineral Resources plc
George Frangeskides, Executive Chairman +44 20 3907 4297

Cairn Financial Advisers LLP (Nomad)
James Caithie/Richard Nash/Liam Murray +44 20 7213 0880

First Equity Limited (Broker)
Jason Robertson +44 20 7374 2212

Yellow Jersey PR (Financial PR/ IR)
Harriet Jackson/Henry Wilkinson
alba@yellowjerseypr.com +44 20 3004 9512

UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 MAY 2019

	Unaudited 6 months ended 31 May 2019	Unaudited 6 months ended 31 May 2018	Audited Year ended 30 Nov 2018
Revenue	-	-	-
Cost of sales	-	-	-
Gross loss	-	-	-
Administrative expenses	(376,163)	(381,367)	(885,314)
Operating (loss)/profit	(376,163)	(381,367)	(885,314)
Revaluation of investment	-	-	825,533
Share of net loss of joint venture	-	-	(15,235)
(Loss)/profit before tax	(376,163)	(381,367)	(75,106)
Taxation	-	-	-
(Loss)/profit for the year	(376,163)	(381,367)	(75,106)

Attributable to:			
Equity holders of the parent	(375,970)	(380,358)	(72,823)
Non-controlling interests	(193)	(1,009)	(2,283)
	(376,163)	(381,367)	(75,106)
Loss per ordinary share			
Basic and diluted	(0.012) pence	(0.015) pence	(0.003) pence

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2019

	Unaudited 6 months ended 31 May 2019	Unaudited 6 months ended 31 May 2018	Audited Year ended 30 Nov 2018
Non-current assets			
Tangible fixed assets	85,000	-	85,000
Intangible fixed assets	3,340,498	1,543,177	3,076,783
Investments	5,430,000	4,061,467	5,430,000
Available for sale assets	7,161	18,495	7,161
Total non-current assets	8,862,659	5,623,139	8,598,944
Current assets			
Trade and other receivables	79,453	209,260	61,894
Cash and cash equivalents	23,443	1,151,385	585,795
Total current assets	102,896	1,360,645	647,689
Current liabilities			
Trade and other payables	(485,096)	(202,606)	(493,195)
Financial liabilities	(294,207)	(253,074)	(287,250)
Total current liabilities	(779,303)	(455,680)	(780,445)
Net assets	8,186,252	6,528,104	8,466,188
Capital and reserves			
Called up share capital	4,114,233	3,686,246	4,099,233
Share premium account	6,816,382	5,836,868	6,786,382
Warrant reserve	678,521	350,979	624,039
Retained losses	(3,543,913)	(3,475,478)	(3,167,943)
Merger reserve	200,000	200,000	200,000
Foreign currency reserve	187,723	194,716	190,978
Equity attributable to equity holders of the parent	8,452,946	6,793,331	8,732,689
Non-controlling interests	(266,694)	(265,227)	(266,501)

Total equity	8,186,252	6,528,104	8,466,188

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 31 MAY 2019

	Unaudited 6 months ended 31 May 2019	Unaudited 6 months ended 31 May 2018	Audited Year ended 30 Nov 2018
Cash flows from operating activities			
Operating loss	(376,163)	(381,367)	(885,314)
Share option charge	54,482	119,010	243,156
Provision for impairment	-	(4,160)	7,174
Foreign exchange revaluation adjustment	(3,255)	1,030	(2,707)
Increase / (decrease) in creditors	(1,142)	22,593	120,032
(Increase)/ decrease in debtors	(17,559)	(173,984)	(26,619)
Net cash used in operating activities	(343,637)	(416,878)	(544,278)
Cash flows from investing activities			
Payments for deferred exploration expenditure	(263,715)	(81,174)	(733,527)
Cash on acquisition of subsidiary	-	-	44,661
Investments	-	(442,002)	(985,002)
Net cash used in investing activities	(263,715)	(523,176)	(1,673,868)
Cash flows from financing activities			
Proceeds from issue of shares and warrants	45,000	1,552,000	2,300,000
Cost of issue	-	(87,500)	(123,000)
Net cash generated from financing activities	45,000	1,464,500	2,177,000
Net increase in cash and cash equivalents	(562,352)	524,446	(41,144)
Cash and cash equivalents at beginning of period	585,795	626,939	626,939
Cash and cash equivalents at end of year	23,443	1,151,385	585,795

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 2018. 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. The auditor's report for the year ended 30 November 2018 did include a paragraph on material uncertainty related as to whether the Group can raise sufficient funds to continue to develop the Group's exploration assets.

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 £375,970 (May 2018: £379,349; November 2018: £72,823) by the weighted average number of shares of 3,264,478,658 (May 2018: 2,458,569,272; November 2018: 2,717,353,000) 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".

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END

IR CKCDPPBKDBFB