

Alba Mineral Resources Plc / EPIC: ALBA / Market: AIM / Sector: Mining

11 November 2024

Alba Mineral Resources plc

("Alba" or "the Company")

Option over Tanzanian Gold Licences

Alba Mineral Resources plc (AIM: ALBA) is pleased to announce that it has acquired an option to earn into a portfolio of gold licences in Tanzania, East Africa which includes near-term gold production opportunities.

Highlights

- Option acquired by Alba to earn into a portfolio of gold licences in northern Tanzania.
- The licences are located in the same district as some of Tanzania's largest gold deposits.
- At least two of the licences (Midas 1 and Buly South) are considered to have near-term (<6 months) gold production potential, with the current owners proposing to excavate shallow gold mineralisation, crush the ore on site and then refine it at a nearby contract CIP plant.
- Historic data provided by the owners includes previous drilling by major gold companies (IAMGOLD and Barrick) over some of the licences, which drilling confirms gold mineralisation relatively close to surface.
- Option negotiated by Alba has significant flexibility built in, enabling Alba to elect, post confirmatory due diligence, to earn into one or more of the projects at its discretion with, in each case, earn-in terms allowing Alba to spend incrementally on the projects in return for an increasing licence interest.

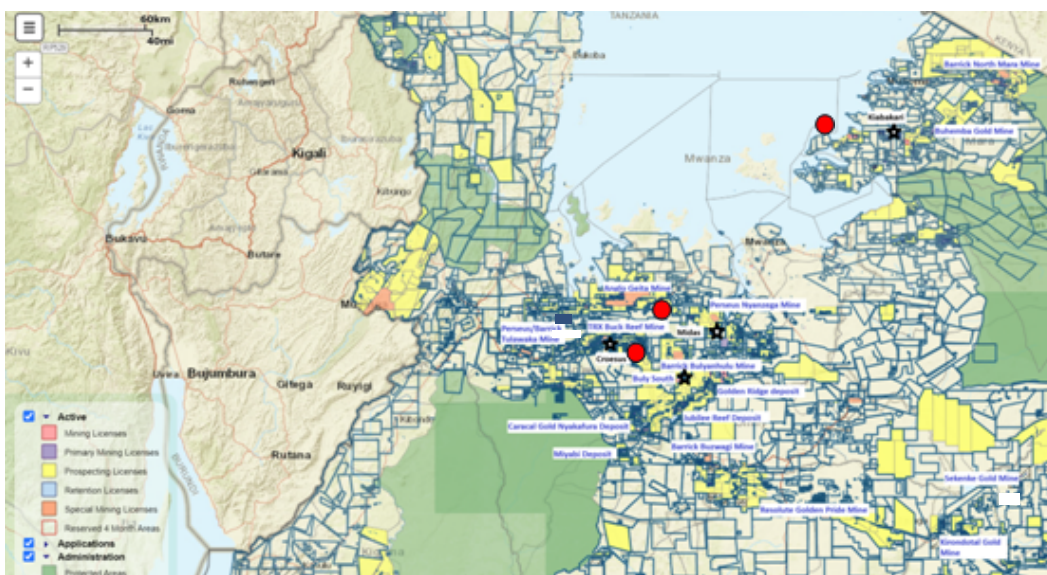


Figure 1: Portfolio of licences in northern Tanzania comprising Kiabakari, Midas and Buly South Projects (marked in red).

The project portfolio comprises the following projects:

- Buly South, comprising Tanzanian Prospecting Licence ("PL") 11510/2021, covering an area of 0.90 km²;
- Midas, comprising PL12889/2024, covering an area of 8.52 km² ("Midas 1"), and PL application PL28669/2024, covering a total area of 9.74 km² ("Midas 2"); and
- Kiabakari, PL application PL23313/2023, covering a total area of 143.13 km².

All licences and licence applications are in respect of gold only. The project owners are entitled to convert their licence applications into granted licences at any time, subject to payment of the grant fee.

Midas Project

The Midas 1 and 2 licences are located in Nyangwale District, Geita, northern Tanzania. The mine site is situated 7 km south of the Perseus Nyanzega Gold deposit (3.1 million ounces ("Moz")) and 20 km north-east of major gold producer Barrick's Bulyanhulu Gold mine (3.4 Moz of Reserves, 10.3 Moz of Resources).

The licences are located in the regionally southeast-northwest trending Geita greenstone belt. This belt is considered a segment of the larger Sukumaland greenstone belt and is one of the larger greenstone belts in northern Tanzania. The licences are located adjacent to the main Geita Shear Zone and in contact with some small to medium-scale mines. The mineralised zones are confined to the south-north to southeast-northwest trending shears within a met-basaltic volcanic package. Alteration in the mineralised zones consists of silicacarbonate-pyrite with well-preserved shear fabric. Gold mineralisation is associated with grey quartz thin veins, stringers and boudins parallel to the shear fabric. The transported and residual soil cover is 7m to 9m deep, below which completely altered and sheared mafic material occurs to a depth of 50m. Most the oxidised zone is believed to have been exploited by artisanal mining.

Systematic exploration work programmes within the area commenced in the mid-1990s involving surface geological mapping, interpretation and compilation of geophysical maps, soil sampling on specified soil grids, grab sampling as well as RAB and Air Core drilling programs. Target areas were followed up through Reverse Circulation ("RC") and Diamond drilling. Major gold company IAMGOLD undertook a 4-year exploration program 2006-10 which included regional airborne geophysical surveys, project scale soil surveys and trenching, exploration and metallurgical and hydrogeological drilling

The current owners are proposing to sink shafts to commence production in the near term, excavating and crushing ore on site then refining it to produce gold at a nearby contract CIP plant.

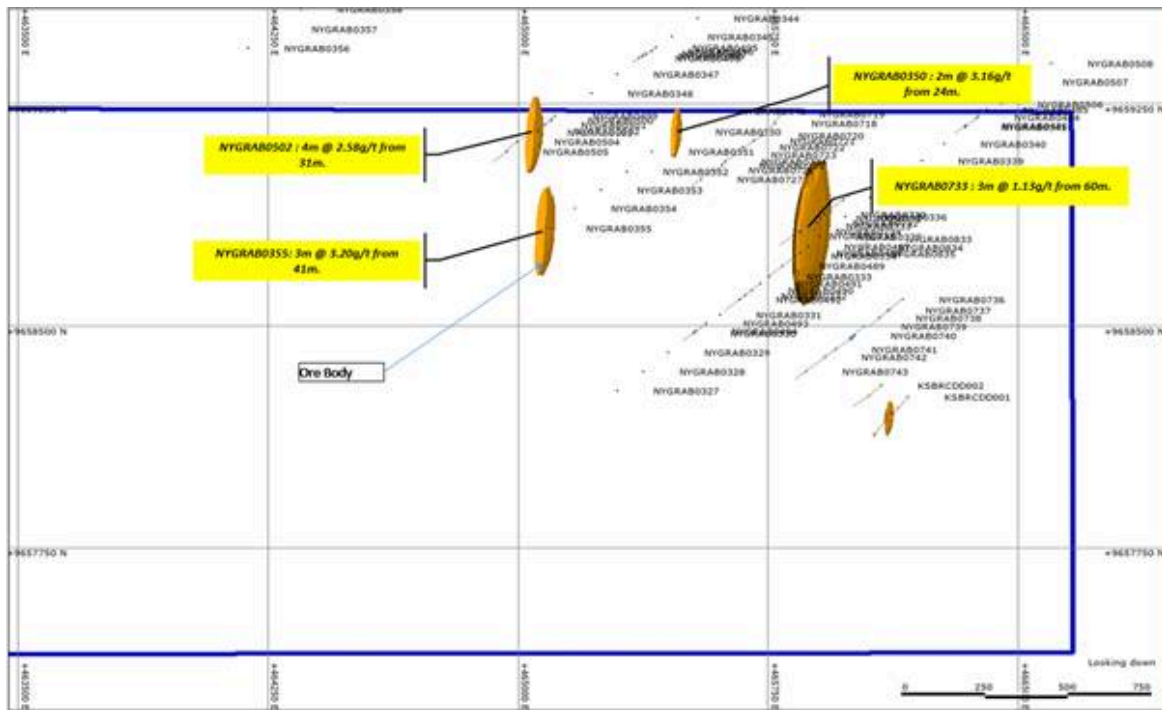


Figure 2: Map showing historic drill intercepts within Midas 1 licence area, with mineralisation commencing 24 m from surface and grading from 1.13 g/t to 3.2 g/t. Alba has also been provided with historic drill data purportedly for Midas 2, which included intercepts of 1-3 g/t from close to surface (1-17m). All this historic data remains subject to review and verification by Alba.



Figure 3: Location map for Midas 1 and 2 gold licences, with other significant gold deposits marked in yellow.

Buly South Project

Situated in the prolific gold-producing Lake Victoria region, the Buly South gold project is located just 10 km south of Barrick's Tier 1 Bulyanhulu Gold mine (3.4 Moz of Reserves, 10.3 Moz of Resources) and 5 km southwest of the Golden Horseshoe Gold mine (4.0Moz).

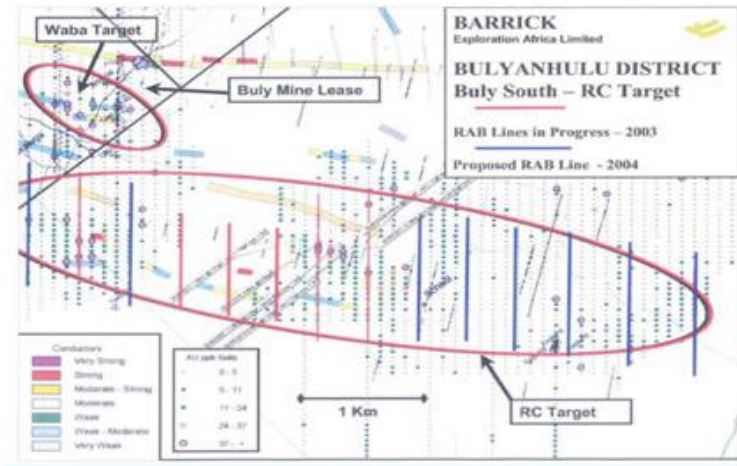


Figure 4: Buly South Project (top left corner), part of historic drilling programme undertaken by Barrick. Map provided by vendors (data not verified).

Exploration in the project area is understood to have commenced by AngloGold Ashanti in 1997 and included soil geochemistry, geophysical surveys, pitting, trenching and drilling. Several northwest-southeast trending magnetic lineaments were interpreted from a 2003 airborne magnetic survey. The project area is on the boundary of the Bulyanhulu Gold Mine and may represent an extension of the prospective geology.

Alba has been provided with (unverified) drill intercept data indicating grades ranging from <1.0 g/t up to 7.76 g/t (RAB) and 1.1 g/t to 9.4 g/t (diamond). All historic geological, drilling and other technical information will be reviewed and verified as part of Alba's due diligence during the option period.

The current owners are proposing to sink a 20-30m shaft and then construct a drive to access the orebody for mining and gold production.

Kiabakari Gold Project

The Kiabakari licence adjoins the entire length of the northern boundary of the Kiabakari Gold mine, just 200m from the main pit. The Kiabakari gold mine (which is not one of the projects optioned by Alba) has had past production of 285,000oz @ 6.1g/t and benefits from a current JORC compliant Measured and Indicated Resource of 3 Mt at 3.77 g/t for 366,224 oz Au.

The Kiabakari licence is considered an early-stage exploration project, but with significant potential given it is immediately adjacent to the past producing Kiabakari gold mine.

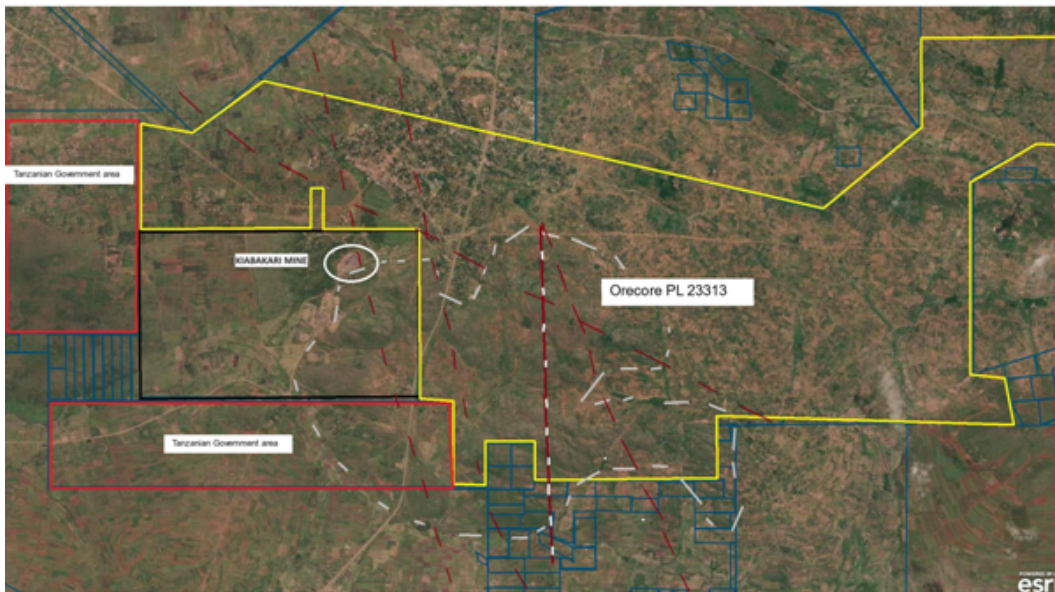


Figure 5: Kiabakari licence application PL 23313, located adjacent to Kiabakari gold mine.

Option Terms

If Alba elects, during the 30-day exclusivity period for Midas 1 and the 60-day exclusivity period for Buly South, Kiabakari and Midas 2, to elect to earn into one or more of those projects, the following principal terms shall apply.

(a) Midas 1

- o Payment by Alba of US\$35,000 within 30 days of the option date in return for a 50% licence interest. The funds are to be spent on agreed project work including funding for an initial period the lease of a 30-tonne excavator and the transportation of excavated ore to a stockpile location.
- o Expenditure by Alba of US\$55,000 within 6 months of the date of the preceding payment to increase its licence interest to 75%.
- o Alba has the right to elect to fund up to US\$500,000 within 12 months from the date of the preceding payment to increase its licence interest to 80%, with the intent that this expenditure would fund the purchase and installation of a carbon in pulp ("CIP") plant and associated equipment for the processing of gold on site. Prior to the installation of a dedicated CIP plant, ore would be processed at one of a number of nearby operating third-party CIP plants.

(b) Buly South

- o Payment by Alba of US\$40,000 (as with Midas 1, to be spent on agreed project work) within 90 days of the option date in return for a 72.5% licence interest.
- o Expenditure by Alba of US\$55,000 within 6 months of the date of the preceding payment.
- o Alba has the right to elect to fund up to US\$500,000 within 9 months from the date of the preceding payment to increase its licence interest to 80%, with the intent that this expenditure would fund the purchase and installation of a CIP plant and associated equipment for the processing of gold on site. As with Midas 1, prior to purchase of a CIP plant ore would be processed at one of a number of nearby operating CIP plants. Given the proximity of Midas 1 to Buly South, it is envisaged that one CIP plant could be installed to serve both projects.

- o Upon exercise of the option, the parties would intend to apply for three (3) Primary Mining Licences ("PMLs") within PL11510/2021 which, subject to grant, would enable mining operations to be commenced immediately.

(c) Kiabakari and Midas 2

- o Payment by Alba of US\$70,000 in cash, including for the provision of 12 months of project management services, and US\$30,000 in fully paid Alba ordinary shares, in return for a 30% interest in the licences.
- o Within a further 24-month period, Alba may elect to expend US\$200,000 on exploration on Kiabakari and Midas 2 combined and to pay to the vendors US\$60,000 in cash and US\$60,000 in Alba ordinary shares in consideration of a further 21 per cent stake (total 51 per cent) in each of the projects.
- o Within a further 24-month period, Alba may elect to expend a further US\$400,000 on exploration on the combined projects and pay the vendors US\$65,000 in cash and US\$65,000 in Alba ordinary shares in consideration of a further 39 per cent stake (total 90 per cent) in each of the projects.
- o While Alba is earning in, the vendors would be free carried until completion of a definitive feasibility study ("DFS") or a mine/plant is developed and in production, which occurs first.

Other terms

- o A fee of US\$20,000 is payable by Alba in consideration of the grant of the options over this portfolio of gold projects.
- o Commissions shall be paid on and subject to completion of the Midas 1 and Buly South transactions within 90 days following the signing of definitive agreements, in each case comprising US\$30,000 in cash and US\$20,000 in Alba ordinary shares as well as the grant of a 10% interest in the project which shall be free carried for so long as Alba is earning into the project.
- o The vendors have also granted to Alba a first and last right of refusal for a period of 12 months over certain other potential gold projects in Tanzania.
- o Alba shall have the right to trigger a final buy-out right in respect of any one of the projects earned into, whereby it would be entitled to acquire the remaining 10% interest in Kiabakari/Midas 2, or to buy out the 10% free carried interest in either the Buly South or Midas 1 project, for \$1 million in cash.

Next steps

A site visit is being organised, as part of Alba's due diligence on these projects.

George Frangeskides, Alba's Executive Chairman, commented: *"We are delighted to have secured this option over a portfolio of highly prospective gold licences in northern Tanzania. Tanzania is home to some of Africa's largest gold deposits, some of which are within quite close proximity to these optioned licences.*

"At least two of the licences have near-term production potential, and we look forward to firming up on these opportunities in our technical due diligence and forthcoming site visits. We have secured flexible terms, including the ability to elect which of the licences we wish to earn into, and all earn-ins are structured on a phased basis with the most significant investment phases backloaded.

"To be clear, our current focus remains very much on the completion of our bulk sampling of the Llechfraith Target at the Clogau Gold Mine in north Wales. However, we have always been clear as a company that we will continue to seek out exploration and mining opportunities, especially underappreciated ones, which have the potential to add serious value to the Company for the benefit of our shareholders. That is how we found the Amitsoq mine and it is also how we found Clogau itself.

"More news will follow as and when it is available."

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 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. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

****ENDS****

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<https://albamineralresources.com/link/Ve9v8r>

For further information, please visit the Alba Mineral Resources plc investor website (www.albamineralresources.com) and sign up to receive news and engage with the Alba management team. Subscribe to our news alert service (<https://alba-l.investorhub.com/auth/signup>) and visit @AlbaMinerals on X (formerly Twitter).

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Alba's Projects & Investments		
<i>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%
<i>Investments Held by Alba</i>	<i>Location</i>	<i>Ownership</i>
GreenRoc Strategic Materials Plc (graphite - anode)	Greenland	34.34%
Horse Hill (oil)	England	11.765%

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