

26 May 2016

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



Alba exercises option to earn into Amitsoq graphite project in southern Greenland

Alba Mineral Resources plc (AIM: ALBA) is pleased to announce that it has exercised its option to earn into the Amitsoq graphite project in southern Greenland.

On 6 October 2015 the Company announced that it had signed an agreement with Artemis Resources Ltd ("Artemis"), an Australian Securities Exchange quoted company (ASX: ARV), which granted to Alba an option to earn up to 70 per cent of a graphite project (the "Project") near Nanortalik in southern Greenland ("Agreement"). The licence area of the Project comprises the historic Amitsoq graphite mine and is prospective not only for graphite but also for gold, copper, nickel and platinum group elements (PGEs).

A renegotiation of the earn-in terms with Artemis has been completed as part of Alba's election to earn-in.

George Frangeskides, who is Executive Chairman of Alba, is also non-executive Chairman of Artemis.

Work carried out to date at Amitsoq

Since entering into the Agreement the Company has undertaken the following work, as announced to the market on 30 November 2015 and 4 February 2016:

- Test work carried out on samples collected during a field expedition have returned excellent results, showing graphitic carbon contents varying from 20.5% to 35.4%, with an overall mean graphitic carbon content of 28.7%, significantly higher than the previously reported historic average grade of 20% and higher than most reported advanced graphite projects globally.
- Measurements of the discrete graphite flakes suggests that the mean flake-size varies from 300-500 µm, 'Jumbo' to 180-300 µm 'Large', however the single most common flake size is in fact 'Super-Jumbo' (>500 µm). The larger flake sizes attract a premium in the market.
- A remote sensing study was commissioned, the results of which were highly encouraging, highlighting several anomalies for a variety of commodities. Numerous and continuous graphitic horizons were suggested along strike and proximal to the Amitsoq graphite mine.
- Additional FeO anomalies are interpreted to be favourable targets for platinum group metals, orogenic lode gold and intrusion related copper-zinc mineralization.
- Anomalies identified with geology similar to economic gold mineralization at the nearby Nalunaq gold mine (circa 340,000 ounces of gold produced to date).

Election to earn-in and modified earn-in terms

Given these highly encouraging results to date, Alba has decided to exercise its option to earn an initial interest in the Project. At the same time, Alba has negotiated certain changes to the earn-in terms with Artemis, as follows:

- (a) Having elected to earn into the Project, the Company will earn a 49 per cent interest in the Project through the issue of £100,000 of Alba shares to Artemis (calculated at a 20 trading day volume-weighted average price ("VWAP")) and by funding a minimum of a further DKK 1,476,740 (approximately £146,000) of exploration costs on the Project by 31 December 2016.

Under the original terms agreed with Artemis, for the payment of £50,000 in Alba shares and the funding of the same amount of expenditure (DKK 1,476,740), Alba would have been entitled to earn only a 25 per cent interest in the Project. This amendment to the earn in terms will entitle the Company to earn a 49 per cent interest in the Project 12 months earlier than would have been the case under the original terms. The additional £50,000 in Alba shares would still have been payable under the original terms by 31 March 2017 should Alba have decided to continue earning into the Project, so Alba has simply agreed to pay that second £50,000 in shares early in order to secure a significant 49 per cent interest in the Project this year.

- (b) To maintain its 49 per cent interest, Alba will still be required to fund a further DKK 1,476,740 (approximately £146,000) of exploration costs on the Project by 31 December 2017, in accordance with the original terms. If it elects not to spend that amount, then Alba's interest in the Project shall be reduced from 49% to 40%, meaning that Alba will nonetheless retain a significant economic interest in the Project. If Alba does elect to spend that further amount by 31 December 2017 but then fails to do so, its interest in the Project shall be reduced from 49% to no less than 40% on a pro rata basis in accordance with the amount of the underspend.
- (c) All other principal terms of the original Agreement remain unchanged, so Alba will still be entitled to earn a further, up to 70 per cent interest in the Project by meeting the 2017 and 2018 minimum expenditure commitments on the Project as determined by the Greenlandic mining regulations.

Future work in 2016

Having secured its interest in this highly prospective project, the Alba Board is in the process of refining its work programme in Greenland for the coming months, which shall be the subject of a further announcement in due course.

Mike Nott, Alba's CEO, commented:

"Alba's work so far at Amitsoq has given us great encouragement to continue work on this highly attractive graphite project. Having now secured improved terms, we intend to push forward this year to undertake significant work to enhance both our understanding of the Project and the value of our investment. Future demand for graphite continues to look strong due to its long-standing industrial and commercial uses, including its role as a key component in lithium-ion batteries."

Admission of new ordinary shares to AIM

In accordance with the above terms, 33,852,403 fully paid ordinary shares in Alba (being £100,000 in Alba shares calculated at a 20 trading day volume-weighted average price) will today be issued to Artemis. Application will be made for the new ordinary shares to be admitted to trading on AIM ("Admission"). It is expected that Admission will become effective at 8.00 a.m. on 2 June 2016. The new ordinary shares will be issued credited as fully paid and will rank in full for all dividends and other distributions declared, made

or paid after Admission and will otherwise rank on Admission *pari passu* in all respects with the existing ordinary shares.

Total Voting Rights

Following Admission, the total number of ordinary shares in issue will be 1,320,642,334. The Company does not hold any ordinary shares in treasury. Therefore, the total number of ordinary shares with voting rights will be 1,320,642,334. 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.

For further information please contact:

Alba Mineral Resources plc

Michael Nott, CEO +44 20 3696 4616

Cairn Financial Advisers LLP

James Caithie/Liam Murray +44 20 7148 7900

Dowgate Capital Stockbrokers Limited

Jason Robertson / Neil Badger +44 1293 517744

About Alba

Alba holds a 15 per cent interest in Horse Hill Developments Limited, the company which has a 65 per cent participating interest and operatorship of the Horse Hill oil and gas project (licences PEDL 137 and PEDL 246) in the UK Weald Basin. Alba also has an option to farm into 5% of Production Licence 235, which comprises the producing onshore Brockham Oil Field.

Alba has the right to earn up to 70 per cent of the Amitsoq Graphite Project in Southern Greenland. In addition, the Company holds a base metal licence in the Republic of Ireland, and has applied for the reissue of a uranium permit in northern Mauritania. The new Mauritanian permit will be on a reduced area, and is centred on known uranium-bearing showings.

Alba continues actively to review and discuss other project opportunities which have value-enhancing potential for the Company whether by acquisition, farm in or joint venture in a range of jurisdictions around the world.