

12 April 2017



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

Stage 1 Metallurgical Test Results at Amitsoq Confirm High Grade Graphite

Further to the announcement of 8 September 2016, Alba Mineral Resources plc (AIM: ALBA) has now completed the preliminary evaluation of the metallurgical testing on the Amitsoq graphite project (the "**Project**") near Nanortalik in southern Greenland. The initial results are highly encouraging and provide confidence with regard to the Company's objective of re-opening the graphite mine at Amitsoq.

Highlights

- As advised on 9 September 2016, 179 Kgs of sample were provided to the SGS laboratory facility in Cornwall for metallurgical testing.
- Crushing, grinding, attrition and floatation test work indicates the ore can be processed by a relatively low cost processing route to produce a range of high grade products.
- Head grade of +25% graphite confirms Amitsoq ore to be amongst the highest grade of any graphite project in the world.
- Simple processing was able to achieve +99% recovery of the graphite from the gangue material, with the bulk of the flake graphite recovered being in the +150 μ category (medium flake), essential for supply to the lithium-ion battery market, and the premium value +300 μ jumbo to super jumbo category.
- Additional optimisation metallurgical testing will be required to provide the detail that will guide the design of a future processing facility in Greenland.

Additional photos showing the samples being collected and some of the test work can be viewed on the Alba website image gallery at www.albamineralresources.com.

Details of test work

The samples were crushed to 25mm and from the crushed samples representative samples were taken for the test work and crushed down to 2mm as the basic feedstock.

The average graphitic total carbon content of the sample used as the primary feed to the test cells was 25.6% carbon. This total graphitic carbon assay correlates well with the previous range of assays of between 20.5% and 35.4%, as stated below (see "Previous Work Undertaken at Amitsoq"). The test work shows head grades are confirmed to be running at circa 25 per cent graphitic carbon. This confirms, when compared to the reported grades of advanced graphite projects, Amitsoq ore to be amongst the highest grade of any graphite project in the world.

Preliminary test work has demonstrated that the graphitic carbon readily floats to a relatively high grade rougher concentrate with recoveries up to 98 per cent for the finer grind sizes. Rougher recoveries vary from 72 per cent to 98 per cent at float feed sizes from 2mm down to 150 microns.

Tabling (using a shaking table) of the flotation concentrates shows that the graphitic carbon separates from the gangue material, indicating that upgrading the rougher concentrates should be relatively simple.

A staged float with intermediate regrinding to 500 μ , 300 μ , and 180 μ produced an overall recovery of +99 per cent.

Two floats were also carried out at an intermediate feed size of 1180 μ and 850 μ to assess the flake recovery at differing sizes. The overall recovery at 1180 μ was 93.3 per cent with 24 per cent of the graphite being in the +300 μ fraction and 44 per cent being in the +150 μ fraction. The corresponding values for the 850 μ grind were 99 per cent recovery with 25 per cent in the +300 μ fraction and 49 per cent in the +150 μ fraction. Confirmation that a significant proportion of the flake graphite recovered is in the +150 μ category (medium flake) and the premium value +300 μ jumbo to super jumbo category is very important to the Amitsoq Project's future economics, as medium flake graphite is essential for supply to the lithium-ion battery market and jumbo to super jumbo flake graphite attracts a premium price in the market.

The above results are very encouraging and the second phase of test work will be focused upon maximising the economic return of the primary grind, and to improve the detailed refining of the concentrates to the various marketable grades.

In conjunction with the phase 2 test work, a product assessment will be carried out to define the suite of graphite products that Alba will be able to produce from the Amitsoq ore, with a view to maximising the returns from production. The graphite market is highly specialised, with each category of flake size having different industrial applications and therefore attracting a range of different end users and potential off-take partners. The Company's management has just returned from the 6th Graphite & Graphene Conference in Berlin, hosted by Industrial Minerals, at which conference the Company held initial discussions with graphite industry experts and end users. Alba intends to progress those discussions and utilise the services of a firm of graphite specialists to conduct and refine the metallurgical and product optimisation work. This will inform our exploration and development efforts for the year ahead.

Michael Nott, Alba's CEO, commented:

"The results from this phase 1 metallurgical test work are impressive. The test work results confirm the very high grade graphite content at Amitsoq (averaging 25%) and a good spread of flake size in the key and high demand/value categories. We were able to achieve +99 per cent recoveries using fairly simple and low cost processing techniques, which bodes very well for the economics of future production at Amitsoq."

"Additional metallurgical test work to optimise a processing plant, which is a key element in proving up commercial viability, will now be undertaken. This will also form part of an integrated, fast-track approach to the project. We look forward now to the furtherance of our fast-track development programme this year, with our priorities being resource estimation drilling, initial environmental assessment and process plant logistics and construction design."

Previous Work Undertaken at Amitsoq

- Test work carried out on hand/grab samples collected during a field expedition in 2015 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.

- The results of a remote sensing study 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 have been identified with geology similar to economic gold mineralization at the nearby Nalunaq gold mine (circa 340,000 ounces of gold produced to date). These FeO anomalies are 5 km along strike from previous documented gold showings, and 18 km to the southwest of the Nulunaq mine.
- A bulk sampling exercise (August 2016) took 179 kilograms of graphite ore sampled from a surface bed that had previously been exploited when the Amitsoq mine was operational. The bed was found to have a true thickness of 16.58 metres.
- An airborne electro-magnetic survey completed in September 2016 confirmed numerous target anomalies including some 12.05 km of total strike length. This work is still being assessed and refined.

Alba's interest in Amitsoq

As announced on 20 February 2017, Alba regulatory approval from the Greenlandic authorities, to acquire up to 100 per cent of the Amitsoq licence has been obtained. Alba now owns 90% of the Project, with an option to acquire the remaining 10% and move to 100 per cent ownership.

For further information please contact:

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Competent Person's Declaration

Michael Nott, Alba's CEO, has over 45 years relevant experience in the geological, mining, minerals, waste disposal, industrial minerals, oil, drilling, mineral planning and quarrying industries has approved the information in this announcement. He holds a BSc. degree in Geology from Queen Mary, University of London, a MSc. Degree in Mineral Production Management from the Royal School of Mines, Imperial College, University of London, the Diploma of Imperial College in Mineral Production Management and is a Chartered Engineer. He is a Fellow of the Institute of Materials, Minerals and Mining, a Fellow of the Minerals Engineering Society, a Fellow of the Institute of Quarrying and an Associate of the Royal School of Mines Association.

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

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 is also earning a 5% interest in Production Licence 235, which comprises the producing onshore Brockham Oil Field.

Alba owns a 90 per cent interest in the Amitsoq Graphite Project in Southern Greenland and has an option over the remaining 10 per cent.

In addition, the Company has recently renewed its Limerick base metal licence in the Republic of Ireland. The Company 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 numerous other project opportunities which have value-enhancing potential for the Company whether by bolt on or stand alone acquisition, farm in or joint venture in a range of jurisdictions around the world.