

8 May 2017



Alba Mineral Resources plc

("Alba" or "the Company")

Final Results for the year ended 30 November 2016

CHAIRMAN'S STATEMENT

The Board of Alba Mineral Resources plc (the "Company" or "Alba", and collectively with its subsidiary companies, the "Group") is pleased to report the results for the year ended 30 November 2016.

INTRODUCTION

Alba is a natural resources exploration company with a commodity focus on oil & gas, graphite, uranium and base metals. Alba holds interests in the UK oil & gas exploration sector, as well as in mining exploration assets in Greenland (Graphite), Ireland (Base Metals) and Mauritania (Uranium). The Group's overall technical and corporate strategy is to identify and acquire natural resource projects it believes to have good potential and to advance them expediently. This will be achieved by controlled design and execution of a cost-effective generative process utilising data acquisition, GIS data analysis and exploration programme planning, led by our internal technical team and, where appropriate, through the support of external technical consultants.

REVIEW OF ACTIVITIES

Horse Hill (Oil and Gas, United Kingdom)

The Horse Hill-1 well ("HH-1") is located within onshore exploration licence PEDL 137, on the northern side of the Weald Basin near Gatwick Airport. Alba owns a 15% direct interest in Horse Hill Developments Limited ("HHDL"). HHDL is a special purpose company that owns a 65% participating interest and operatorship of Licence PEDL137 and the adjacent Licence PEDL246 in the UK Weald Basin. The remaining 35% participating interests in the PEDL137 and PEDL246 licences are held by US-based Magellan Petroleum Corporation.

In **Q1 2016** a flow test was carried out from the HH-1 Upper Portland conventional oil pool and the Upper and Lower Kimmeridge limestones in order to assess the recoverable volume of oil. The final total aggregate stable dry oil flow rate from two Kimmeridge limestones plus the overlying Portland sandstone was recorded at 1688 barrels of oil per day ("bopd"). Over the 30-90 hour flow periods from each of the three zones, no clear indication of any reservoir pressure depletion was observed. The final Portland test of 323 bopd over an 8.5 hour period is the highest stable dry oil flow rate from any onshore UK Portland well. The stable, natural dry-oil flow rate of 464 bopd from the Lower Kimmeridge Limestone is the first ever flow from this rock unit in the Weald Basin and onshore UK. Based on the analysis of published reports from all significant UK onshore discovery wells, the 901 bopd from the Upper Kimmeridge zone is likely the highest stable natural dry oil flow rate from a single reservoir in any UK onshore new field wildcat discovery well.

High quality Brent Crude was produced: light, sweet oil (40 degrees API in Kimmeridge, 35-37 degrees API in Portland), with 1,940 barrels delivered to the Esso Fawley refinery. Preliminary analysis confirms that the Lower and Upper Kimmeridge Limestone units are naturally fractured reservoirs with high deliverability. There is a strong possibility for further optimisation and increased flow rates from all three zones in future development and production wells, particularly through the use of horizontal wells.

An application for long term production testing and further appraisal drilling was submitted to Surrey County Council in **October 2016**. Subject to the required regulatory approvals, the first phase of the proposed development is planned to consist of the extended production testing of four zones, designed to confirm the commerciality of the discovery, and to examine a previously untested Kimmeridge limestone. The planning application also seeks permission for a two-well drilling phase the purpose of which, contingent on successful production testing, would be further to appraise the extent of the oil accumulations and the field's production capabilities. The proposed drilling phase includes plans for a deviated sidetrack, HH-1z, which would be drilled from the existing HH-1 borehole, together with a new well, Horse Hill-2 ("HH-2"). On completion of drilling, both HH-1z and HH-2 are planned to be long-term production tested.

Amitsoq (Graphite, Ni-PGEs, Gold, Southern Greenland)

On **4 February 2016** the Company announced that it had completed an iron oxide (FeO) alteration remote sensing (satellite) study on the Amitsoq graphite project (the "Project") near Nanortalik in southern Greenland. The interpreted results were highly encouraging and provided numerous target areas for follow-up ground work and geophysics, highlighted as follows:

- Numerous and continuous graphitic horizons suggested along strike and proximal to the Amitsoq graphite mine.
- FeO anomalies are coincident with known graphite occurrences at the former Amitsoq graphite mine.
- Two zones contain multiple lenses of interpreted bedded graphite along strike 2.5 km and 5.8 km to the northeast of the Amitsoq 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).

On **14 April 2016** Alba announced the completion of rock geochemistry assays on samples from the former graphite mine at Amitsoq. Analyses indicated that the geochemistry is substantially in agreement with a petrographic study previously carried out by the British Geological Survey (BGS). Two questions that the BGS study had raised were the volume of pyrite present within the samples and also the potential for this sulphide mineral to contain potential credit and deleterious elements. Secondary testing was therefore undertaken to test for those elements.

A total of eleven (11) samples were dispatched to the ALS Minerals laboratory at Loughrea, Co. Galway, Republic of Ireland for independent geochemical testing. Analysis included major-element and trace-element geochemistry and total sulphur analysis. The results of the major element analysis indicated that the samples were dominated by phyllosilicate minerals (clay, mica and chlorite), graphite, and pyrite (iron sulphide). The total sulphur analysis varied from 0.22% to 10.2%, with a mean concentration of 6.1% sulphur. The concentration of potentially deleterious elements was found to be low. Overall the samples are not considered to contain elements that could potentially make the graphite at Amitsoq uneconomical based on impurities.

On **26 May 2016** Alba announced that it had exercised its option to earn into the Amitsoq graphite project in southern Greenland. A renegotiation of the earn-in terms was agreed at the same time.

In **September 2016** the Company commissioned SRK Exploration Services Ltd to sample one of the graphite-bearing veins at the site of the former Amitsoq graphite mine. The vein was sampled where it has been exposed in outcrop and in what appears to be an old surface box cut that was created during previous mining operations.

The particular vein selected for sampling appears to have been exploited with a number of adits when the Amitsoq mine was operational. At the location selected for sampling, the vein has a true thickness of 16.58 metres. A total of 13 channel samples were taken. The channel samples were offset from each other where necessary in order to cover the outcrop morphology. They were however geologically contiguous across dip, thus providing continuity of sampling through the whole thickness of the vein, and cover a strike distance of 48.5 metres.

Also in **September 2016** the Company commissioned a specialist airborne geophysical survey company to carry out an airborne electro-magnetic and magnetic ("EM-Mag") survey at the Project. The principal target of the survey was the southern portion of Amitsoq island, which hosts the former graphite mine, as well as a target to the north of the mine which hosts the nickel-platinum group element anomalies known as Amitsoq Dyke and Craig's Dyke. The objective was to identify electromagnetic and magnetic horizons within the survey area. The interpretation of these horizons would help Alba to assess the continuity along strike of the graphite horizon and/or

horizons, and also assist in identifying additional structural geological elements which will assist in the interpretation of the regional geology. The preliminary results of the EM-Mag survey were announced after the end of the year (see below, “Events after the Reporting Period”).

On **1 November 2016** Alba announced that it had earned the right to a 49 per cent interest in the Amitsoq Project and had further agreed, subject to regulatory approvals from the Greenlandic authorities, to acquire a further 41 per cent interest in the Project for total consideration payable of £150,000. As from Completion, Alba would also take over Artemis’s rights and obligations in respect of the existing put and call option over the 10 per cent free carried interest held by a minority shareholder in the Project. Pending Completion, Alba would continue to act as the operator and manager of the Project, and the previous farm-in agreement would be terminated and superseded by these new terms. Legal completion occurred after the end of the year (see below, “Events after the Reporting Period”), although for accounts purposes control was deemed to pass on 1 November 2016.

Brockham (Oil and Gas, United Kingdom)

Alba is earning a 5% interest in Production Licence 235 (“PL 235”), which comprises the producing onshore Brockham Oil Field, which is located just to the north-west of the Horse Hill licences.

The Brockham Oil Field is located on licence PL 235 in the Weald Basin in Surrey, southern England. The field was discovered by BP in 1987 with the drilling of the Brockham-X1 well. The field was in production until early 2016, and had average daily production of approximately 35 bopd from the Brockham-X2Y production well.

On **9 August 2016** Alba announced that, having exercised its option to earn a five per cent interest in PL235, it had paid its share of the cost of the first cash call issued by the Operator, Angus Energy Weald Basin No.3 Limited (“Angus” or the “Operator”), in respect of the proposed drilling of a side track well at Brockham. The cash call issued related to the costs required to effect certain required upgrades to the surface facilities at the Brockham site.

Alba originally secured this option to earn a five per cent interest in Brockham as part of its acquisition from Angus in October 2015 of a 5 per cent interest in HHDL, the 65 per cent owner of the Horse Hill oil and gas project (PEDLs 137 and 246) (see above). Alba’s earn in to Brockham was originally agreed to be on a “two for one” promote basis, whereby Alba would pay a ten per cent contribution to the cost of the drilling of the side-track well (from spudding to first oil) in order to earn its 5 per cent interest. Alba subsequently agreed with Angus, however, that Alba’s contribution to the cost of the side track well from spudding to first oil shall be capped, for all dry hole costs, at a maximum of £187,125, plus a maximum of a further 10 per cent of the Agreement For Expenditure (“AFE”) to be issued for production/well testing, and Alba shall only be required to fund Brockham joint account costs incurred and cash called thereafter in accordance with its five per cent interest only, and no higher.

On **14 November 2016** Alba announced that Angus, as Operator, had informed the Company that it had received permission from the Environment Agency to drill the BR-X4Z side-track at licence PL 235.

Limerick (Base Metals, Ireland)

The exploration licence in the Limerick Basin is highly prospective for zinc, lead and silver and is only 10 km away from and part of the same target unit as the Pallas Green zinc discovery. On **26 July 2016** Alba announced that it had received confirmation from the Irish Department of Communications, Energy & Natural Resources (Exploration and Mining Division) that the Company’s base metal prospecting licence in County Limerick, Ireland (Area No. 3824) had been renewed for a further two years until 26 May 2018.

On **25 October 2016** Alba announced that it had completed a detailed gravity survey and soil sampling programme at the Limerick Project. The objective of the survey was to identify possible structural targets with associated gravity variations and soil geochemistry anomalies that may be associated with the concentration of base metal mineralisation, notably zinc and lead. The results of the survey were announced after the end of the year (see below, “Events after the Reporting Period”).

Mauritania

During the year, the Group submitted an application to the Mauritanian Authorities to take out a new permit over a reduced area within the original permit area, which includes the centre of the previously discovered and announced high-tenor uranium anomalies. The application is currently being processed by the Mauritanian authorities. Once a new permit is issued, Alba and its joint venture partner will then consider their options with regards to funding the next stage of exploration.

The continued development of the Mauritania exploration activities is dependent on the grant of a new licence. An emphasis of matter has been included in the auditor's report on this point.

Other Development Projects

Alba continues to review and consider other natural resources opportunities which have value-enhancing potential for our shareholders.

Corporate

Our corporate activities in the year have been primarily focused on securing the Company's interests in its "earn in" projects, namely securing the right to move to a majority interest at Amitsoq and exercising the Company's option to earn 5 per cent of the Brockham Oil Field (which matters are covered above under each of those projects), as well as undertaking fund-raising activities to enable the Company to progress its exploration and investment programme.

On **26 February 2016** the Company announced that it had raised £525,000 (before expenses) through the issue of 131,250,000 new ordinary shares at a price of 0.4 pence per ordinary share.

On **27 May 2016** Alba held its Annual General Meeting. All resolutions were duly passed.

On **18 August 2016** the Company announced that it had issued 16,059,957 fully paid ordinary shares to CEO Michael Nott, and 16,059,957 fully paid ordinary shares to Chairman George Frangeskides, or to their respective nominees, in settlement of accrued fees of £30,000 owed to each of them. Twenty million share warrants (exercise price 0.3p per share, expiring 27 March 2021) have also been awarded to each of Messrs Nott and Frangeskides pursuant to the Company's incentive plan. In addition, 5 million share warrants were awarded to Non-Executive Director Manuel Lamboley on the same terms, subject to additional vesting conditions. The Company has also agreed to settle certain fees owed to consultants by the issue of 7,815,845 fully paid ordinary shares, and to grant a total of 6 million share warrants (exercise price 0.3p per share, expiring 27 March 2021) to certain advisers and consultants of the Company, subject in certain cases to vesting conditions.

On **19 September 2016** the Company announced that it had raised £900,000 (before expenses) through the issue of 450,000,000 new ordinary shares at a price of 0.2 pence per ordinary share.

EVENTS AFTER THE REPORTING PERIOD

Horse Hill (Oil and Gas, United Kingdom)

On **7 February 2017** it was announced that Xodus had upgraded the Portland sandstone P50 Oil in Place (OIP) to 32 million barrels, a 53% increase on previous calculations. The base case Portland initial oil rate was estimated at 350 barrels of oil per day per well. The Operator, HHDL, indicated that ultimate recovery could be increased by a further 8-14% of OIP via implementation of a water re-injection scheme.

On **4 April 2017** the Company announced that it had been informed by the operator, HHDL, that the Oil and Gas Authority ("OGA") has consented to extend the current PEDL137 and PEDL246 Retention Areas ("RAs") until 2021. The PEDL137 and PEDL246 RAs, which cover the entirety of the Horse Hill licences, will now expire on 30th September and 30th June 2021, respectively.

The work programmes, now agreed with OGA, comprise: the planned Horse Hill-1 ("HH-1") Kimmeridge and Portland production tests, HH-1z Kimmeridge Limestone ("KL") and HH-2 Portland appraisal wells, 50 km² of 3D seismic, 25 km of 2D seismic in PEDL246 and a PEDL246 exploration step-out well. The RAs for each licence can be further extended or modified subject to an ongoing minimum work programme agreed by the OGA.

On **4 April 2017** it was announced that the application for long term production testing and further appraisal drilling is scheduled to be decided at the Council's planning committee meeting in July 2017. The Operator, HHDL, therefore envisages that these operations will commence in the second half of 2017 upon grant of the necessary remaining regulatory permissions. The Operator's objective remains to move towards a declaration of commerciality and stable long-term production from the Portland and Kimmeridge by the end of 2018.

Amitsoq (Graphite, Ni-PGEs, Gold, Southern Greenland)

Preliminary results from the airborne electro-magnetic and magnetic survey at Amitsoq were announced on **30 January 2017**. The most important features identified were as follows:

- Several new faults and numerous EM anomalies associated with potential graphite horizons were identified with a total strike length of 12.05 kilometres.
- Of that total, there are 11 anomalies in particular of between 350 metres and 1300 metres each in length, for a total strike length of 5.55 km. These will be priority targets for Alba in the 2017 ground campaign.
- Two shallow, moderate intensity EM anomalies associated with a large ultramafic dyke (Craig's Dyke) known to contain magmatic sulphides (pyrrhotite, pentlandite, chalcopyrite, and cubanite) of up to 0.4 g/t platinum, 0.6 g/t palladium, 0.2 g/t gold and 7 g/t silver (study published by The Geological Survey of Denmark and Greenland, 1971).

Alba has grouped the EM anomalies into four distinct graphite target areas, and within those four graphite areas Alba intends to focus its efforts in the forthcoming ground campaign on what we are calling Target Area 1, seeking to establish graphite extensions in and around the known mine area. Alba also intends to explore the non-graphite target referred to above at Craig's Dyke (Target Area 5).

On **27 February 2017**, following the Government of Greenland formally approving the indirect transfer to Alba of exploration licence 2013/06, Alba completed the acquisition of the further 41 per cent interest in the Project for the balance of the purchase price owed and thereby became the owner of 90 per cent of the Project. Alba also took over the existing put and call option over the 10 per cent free carried interest held by a minority shareholder in the Project. This means that Alba can move in future to 100 per cent ownership of the Project.

On **12 April 2017** the Company announced that it had completed the preliminary evaluation of the metallurgical testing at Amitsoq. The initial results were highly encouraging and provide confidence with regard to the Company's objective of re-opening the graphite mine at Amitsoq. 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. The 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.

Brockham (Oil and Gas, United Kingdom)

On **15 December 2016** Alba announced that it had been advised by the Operator that work had commenced at Brockham, following receipt of the final approvals required from the UK Government Oil and Gas Authority ("OGA") and Health and Safety Executive ("HSE") to commence work on the BR-X4Z well on Licence PL 235. Consequently, Alba was advised that work had commenced to abandon the redundant wells in the upper Portland formation and re-enter the original Brockham-X1 well drilled by BP in 1987 down through the Portland, Kimmeridge, Corallian and into the much deeper Great Oolite formations. The Company's understanding is that all the original BP wells at Brockham that passed through the Kimmeridge and Corallian formations were drilled without properly assessing their hydrocarbon potential.

In **March 2017** Alba was advised by the Operator that, following extensive analysis of the BR-X4Z sidetrack well, the Operator's intention is to bring the Kimmeridge into production at the existing Brockham production facility as soon as the necessary OGA approval is in place. The Brockham X4Z well, drilled in Q1 2017 to a total depth of 1,391m, was planned to evaluate the Portland, Corallian and Kimmeridge formations at Brockham, including an evaluation of the Kimmeridge reservoir that had been demonstrated by the Horse Hill discovery 8 km to the South.

The Operator confirmed as follows:

- The preliminary results from the Brockham X4Z well confirm very similar thickness of reservoir and properties to those reported at Horse Hill. The gross thickness of the Kimmeridge formation in Brockham X4Z is some 385m.
- The two limestone intervals (each around 30m) tested in Horse Hill are also seen in the Brockham well.
- The reservoir properties appear to be very similar to Horse Hill, based on electrical logging evidence.

- The information obtained has confirmed not only evidence of natural fractures in the two main limestones intervals previously tested at Horse Hill, but also confirmed abundant natural fractures in sections of interbedded shales and limestones between and below the two main limestones. Around 200m of the reservoir has this potential.

The Operator took many samples during the drilling to use for geochemical analysis. The initial results of this work show total organic content through the Kimmeridge section between 2-12%, exceeding Horse Hill in places. This supports the potential for some 200m of reservoir of interest. Actual oil content depends on the extent to which burial has resulted in pressures and temperatures sufficient to generate oil. Since oil was produced briefly at Horse Hill and as it is most likely that the oil in the Portland Sandstone in Brockham is sourced from the Kimmeridge, the evidence backs a similar oil content to Horse Hill. Therefore, based on the evidence so far, the Operator has informed Alba that it has confidence that the well will be similar to Horse Hill and, perhaps, given that the reservoir is potentially much thicker in zones not previously tested, the results could be even better.

On **10 March 2017** Alba announced that it had been advised by the Operator that, in respect of a BBC London news item where claims were made that the Brockham X4Z well drilling was 'unauthorised', the Operator is of the firm opinion that the drilling of the BR-X4Z well, which was approved by the OGA, EA and HSE, did not constitute a breach of the planning consents. The Operator has advised the Company that discussions with Surrey County Council are ongoing.

Limerick (Base Metals, Ireland)

On **16 December 2016** Alba reported the results of a microgravity study and portable XRF shallow soil sampling programme at the Limerick base metal project in the Republic of Ireland. Interpretation of the gravity data suggests the presence of gravity anomalies consistent with brecciation of the host limestone, with zinc and lead anomalism in shallow soil samples collected above or adjacent to gravity anomalies. On **14 February 2017** the Company announced that it had received the full laboratory assay results from select soil samples taken during the recent programme. The assay results confirm four main areas of anomalism. The most pronounced anomalism for copper-silver-arsenic (Cu-Ag-As) is similar to that found at former Gortdrum copper-silver (Cu-Ag) mine 25 km due east. Gortdrum was mined for copper-silver-mercury (Cu-Ag-Hg) between 1967 and 1975, producing 3.8 million tonnes containing 1.19% Cu and 25.1 g/t Ag. This target in particular will be the focus of the next stage of work.

Corporate

On **13 January 2017** the Company announced that it had received notices to exercise share warrants from a number of warrant holders holding warrants with an exercise price of 0.3p per share. The total number of share warrants exercised was 51,143,650 for total proceeds to the Company of £153,430.95.

Also on **13 January 2017**, the Company announced that it had introduced a new Enterprise Management Incentive plan ("EMI scheme") to strengthen its ability to attract and retain executives and staff through ensuring participants receive competitive incentives which align their interests with those of the Company's shareholders. Following adoption of the EMI scheme, the remuneration committee awarded to George Frangeskides (Executive Chairman) 15 million share options vesting the day following 13 January 2017 ("date of grant"), with a further 15 million share options vesting on each of the dates falling 6, 12 and 18 months following the date of grant. These options are issued pursuant to the EMI scheme, have an exercise price of 0.4p and expire on the tenth anniversary of grant if not exercised. Fifteen million share warrants were also awarded to Michael Nott (CEO) vesting immediately at an exercise price of 0.4p and an expiration date of 27 March 2021. These share warrants were not issued pursuant to the EMI scheme. Those share options granted pursuant to the EMI scheme are subject to accelerated vesting in certain circumstances, including pursuant to a change of control of the Company following a completed takeover offer.

OUTLOOK

The past year has seen the Company make significant strides forward in the development of our key assets. At Horse Hill, the oil and gas project in the Weald Basin in Surrey in which Alba is the second largest shareholder in the HHDL consortium, flow tests undertaken in 2016 returned excellent results. We now await the planning consents which will enable Alba and its partners to carry out long term production testing and further appraisal drilling commencing later this year, with the objective of moving towards a declaration of commerciality and stable long-term production by the end of 2018.

Alba's Board of Directors also took the decision in the past year to exercise the Company's option to earn a 5 per cent interest in the Brockham Oil Field. This decision was vindicated after the end of the financial year, when in March 2017 the Operator announced that, as a result of the drilling of a side-track well at Brockham, it was confident that the Brockham well would be similar to Horse Hill and possibly, given the thickness of the reservoir zones encountered at Brockham, even better.

While these oil and gas investments at Horse Hill and Brockham must inevitably pass through the normal regulatory processes in the UK, which we understand can at times be a source of frustration for shareholders, this is part and parcel of operating in the UK onshore environment. At the same time, however, the Alba Board has taken steps to ensure that as a diversified natural resources exploration company, the Company and, by extension, its shareholders are not solely reliant on the developments at Horse Hill and Brockham to see value accretion in the Alba Group. It is for this reason that, having identified an opportunity to invest initially on a modest earn-in basis into the Amitsoq Graphite Project in Southern Greenland, the Company's work in 2016 led it to see the significant potential of the Project and, consequently, to decide to negotiate to acquire outright a 90 per cent interest in the Project, with the right to move to 100 per cent ownership in the future. The results of the work announced after the end of the financial year – in particular the identification of over 12 km of strike length and the confirmation of graphite grades that are amongst the highest of any graphite project in the world - have given the Board cause for great encouragement as we look to fast-track development at Amitsoq.

The coming year promises to be an exciting one for Alba, as we seek to commercialise our UK oil and gas investments and at the same time to push forward with the further work at Amitsoq that will see the Project progress from the exploration into the development phase.

We thank our shareholders for their continued support.

George Frangeskides
Executive Chairman

Change of Registered Office

Alba's registered office has changed to 6th Floor, 60 Gracechurch St, London EC3V 0HR.

Glossary of technical terms:

adit	a horizontal passage leading into a mine for the purposes of access or drainage
argillaceous limestone	a limestone containing a significant proportion of clay minerals
breccia	rock composed of broken fragments of minerals or rock cemented together by a fine-grained matrix
brecciation	the process of forming breccia
clastic	rocks composed of broken pieces of older rocks
core	a cylindrical sample of rock, obtained during drilling of wells and removed for inspection at surface
discovery	a discovery is a petroleum accumulation for which one or several exploratory wells have established through testing, sampling and/or logging the existence of a significant quantity of potentially moveable hydrocarbons

electric logs	tools used within the wellbore to measure the rock and fluid properties of surrounding rock formations
fault block	a very large subsurface block of rock, created by tectonic and localised stresses
limestone	a carbonate sedimentary rock predominantly composed of calcite of organic, chemical or detrital origin. Minor amounts of dolomite, chert and clay are common in limestones. Chalk is a form of fine-grained limestone
Geographic Information System or Geographical Information System (GIS)	a system designed to capture, store, manipulate, analyse, manage, and present all types of spatial or geographical data
MICP	mercury injection capillary pressure, a measure of rock porosity and permeability, from rock cores or cuttings, and a calibration of porosity logs
mudstone	an extremely fine-grained sedimentary rock consisting of a mixture of clay and silt-sized particles
oil initially in place (“OIIP”) or oil in place (“OIP”)	the quantity of oil or petroleum that is estimated to exist originally in naturally occurring accumulations before any extraction or production
petrophysical evaluation	the study of physical and chemical rock properties and their interactions with fluids; studies typically use well logs, well cores and seismic data
recoverable resources	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations
reservoir	a subsurface rock formation containing an individual natural accumulation of moveable petroleum that is confined by impermeable rock/formations
sandstone	a clastic sedimentary rock whose grains are predominantly sand-sized. The term is commonly used to imply consolidated sand or a rock made of predominantly quartz sand
seismic	use of sound waves generated by controlled explosions to ascertain the nature of the subsurface geological structures. 2D seismic records a cross-section through the subsurface
STOIIP	stock tank oil initially in place
TVDSS	true vertical depth below a subsea datum
XRD	x-ray diffraction; scattering of x-rays by the atoms of a rock or crystal that gives information on the structure, composition and identity of the rock or crystal

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

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CONSOLIDATED INCOME STATEMENT

	2016	2015
	£	£
Revenue	-	-
Cost of sales	-	-
Gross loss	-	-
Administrative expenses	(425,562)	(292,705)
Operating loss	(425,562)	(292,705)
Finance costs	-	-
Loss before tax	(425,562)	(292,705)
Taxation	-	-
Loss for the year	(425,562)	(292,705)
Attributable to:		
Equity holders of the parent	(425,390)	(291,563)
Non-controlling interests	(172)	(1,142)
	(425,562)	(292,705)
Loss per ordinary share		
Basic and diluted	(0.03) pence	(0.04) pence

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2016	2015
	£	£
Loss after tax	(425,562)	(292,705)
Items that may subsequently be reclassified to profit or loss:		
- Foreign exchange movements	(5,190)	5,204
Total comprehensive loss	<u>(430,752)</u>	<u>(287,501)</u>
Total comprehensive loss attributable to:		
Equity holders of the parent	(430,580)	(286,359)
Non-controlling interests	(172)	(1,142)
	<u>(430,752)</u>	<u>(287,501)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2016	2015
	£	£
Non-current assets		
Intangible fixed assets	1,383,895	662,874
Investments	2,286,315	1,838,222
Available for sale assets	56,285	-
Total non-current assets	<u>3,726,495</u>	<u>2,501,096</u>
Current assets		
Trade and other receivables	15,261	96,942
Cash and cash equivalents	668,340	288,494
Total current assets	<u>683,601</u>	<u>385,436</u>
Current liabilities		
Trade and other payables	377,212	80,000
Financial liabilities	253,073	254,073
Total current liabilities	<u>630,285</u>	<u>334,073</u>
Net assets	<u>3,779,811</u>	<u>2,552,459</u>
Capital and reserves		
Called up share capital	2,654,703	1,993,171
Share premium account	3,472,671	2,586,286
Warrant reserve	546,098	446,291
Retained losses	(3,309,246)	(2,883,856)
Merger reserve	200,000	200,000
Foreign currency reserve	189,159	183,969
Equity attributable to equity holders of the parent	<u>3,753,385</u>	<u>2,525,861</u>
Non-controlling interests	26,426	26,598
Total equity	<u>3,779,811</u>	<u>2,552,459</u>

CONSOLIDATED CASHFLOW STATEMENT

	2016	2015
	£	£
Cash flows from operating activities		
Operating loss	(425,562)	(292,705)
Consulting fees settled in shares	60,000	-
Share option charge	99,807	-
Foreign exchange revaluation adjustment	5,190	(5,204)
Increase/(decrease) in creditors	75,312	(13,599)
Decrease/(increase) in debtors	81,682	(88,190)
Net cash used in operating activities	<u>(103,571)</u>	<u>(399,698)</u>
Cash flows from investing activities		
Payments for deferred exploration expenditure	(380,121)	(51,609)
Payments for available for sale assets	(56,285)	-
Investments	(433,494)	(882,690)
Net cash used in investing activities	<u>(869,990)</u>	<u>(934,299)</u>
Cash flows from financing activities		
Proceeds from the issue of shares and warrants	1,425,001	1,654,315
Costs of issue	(71,684)	(62,500)
Proceeds from borrowings	-	-
Net cash generated from financing activities	<u>1,353,317</u>	<u>1,591,815</u>
Net increase in cash and cash equivalents	379,846	257,818
Cash and cash equivalents at beginning of period	<u>288,494</u>	<u>30,676</u>
Cash and cash equivalents at end of year	<u><u>668,340</u></u>	<u><u>288,494</u></u>

Non-cash transactions

Significant non cash transactions related to the purchase of investments of £134,600 (2015 - £539,532) and consulting fees of £60,000 (2015 - £nil) which were settled by way of the issue of shares.

Accruals includes capital items of £220,900 (2015 - £nil).

NOTES

1. Basis of Preparation

Alba Mineral Resources plc is a public limited company incorporated and domiciled in England & Wales, whose shares are publicly traded on the AIM market of the London Stock Exchange plc.

The financial information set out in this announcement does not constitute the statutory financial statements of the Group for the years ended 30 November 2016 or 30 November 2015, but has been extracted from the statutory financial statements for those years.

The financial statements have been prepared on the historical cost basis and in accordance with International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”) and IFRS Interpretations Committee (“IFRIC”) interpretations as adopted by the European Union.

The auditor, Nexia Smith & Williamson, has reported on the financial statements for the years ended 30 November 2016 and 2015; the audit reports were unqualified and did not contain statements under either section 498(2) or 498(3) of the Companies Act 2006. However, as explained in note 3 below, the audit report for the year ended 30 November 2016 did include “emphasis of matter” paragraphs.

There were no changes to the Group’s accounting policies for the year ended 30 November 2016 as compared to those published in the statutory financial statements for the year ended 30 November 2015.

This preliminary announcement was approved by the Board on 2 May 2017.

2. Going Concern

Based on financial projections prepared by the directors, the Group’s current cash resources are insufficient to enable the Group to meet its recurring outgoings and projected exploration expenditure for the entirety of the next twelve months, including the funding of its share of any future exploration and development activities in respect of the Company’s oil and gas investments at Horse Hill and Brockham. However, the directors have a reasonable expectation that the Group will continue to be able to meet its commitments for the foreseeable future by raising funds when required from the equity capital markets. The Company may also consider future joint venture funding arrangements in order to share the costs of the development of its exploration assets, though that is not currently the Company’s preferred route.

In addition, these financial projections take no account of any revenues to be directly received by the Company as a result of oil production at the Brockham oil field or any revenues which may be received by Horse Hill Developments Limited (HHDL) as a result of production testing at Horse Hill, and which would reduce the commitments of the shareholders of HHDL, including the Company.

The directors continue to adopt the going concern basis of accounting in preparing the financial statements, but note that there is a material uncertainty over the ability of the Company to fund the recurring and projected expenditure, including development of the Group’s exploration assets. If the Company is unable to raise necessary funds, the ability of the Company to continue as a going concern would be in significant doubt and it may be unable to realise its assets and discharge its liabilities in the normal course of business. In particular, the inability to fund the continued development of the Group’s exploration assets may result in them becoming impaired and any failure to contribute its share of future exploration and development activities in respect of the oil and gas investments would result in the dilution of the Group’s interests in those assets.

3. Emphasis of Matter

The auditor's report for the year ended 30 November 2016 includes emphasis of matter paragraphs relating to uncertainty as to whether (a) further funding can be obtained to enable the Company to continue as a going concern and to continue its exploration activities; (b) the grant of a new licence for the continued development of the Mauritania exploration activities; and (c) the value of the parent company’s investment in and loans to the subsidiaries is supported by the respective exploration activities.

4. Taxation

No charge for corporation tax for the period has been made due to the expected tax losses available.

5. Loss per Share

Basic loss per share is calculated by dividing the loss attributed to ordinary shareholders of £425,390 (2015: £291,563 loss) by the weighted average number of shares of 1,373,008,189 (2015: 692,258,595) in issue during the year. The diluted loss per share calculation is identical to that used for basic loss per share as warrants are “out of the money” and not considered dilutive.

6. Report and Accounts

The statutory accounts for the year ended 30 November 2016 will be sent to shareholders of the Company in due course and will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The report and accounts will also be made available on the Company's website: www.albamineralresources.com.