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

Alba secures option to earn into graphite project in southern Greenland

Alba Mineral Resources plc (AIM:ALBA) announces that it has today signed an agreement with Artemis Resources Ltd ("Artemis"), an Australian Securities Exchange quoted company (ASX:ARV), which grants 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 comprises the historic Amitsoq graphite mine and is prospective not only for graphite but also for gold, copper, nickel and platinum group elements (PGEs).

HIGHLIGHTS

- Option to earn up to a 70 per cent. interest in a graphite project in southern Greenland which is also prospective for gold, nickel, copper and platinum group metals (PGEs)
- Graphite was previously mined at Amitsoq at high grades at an average 20 per cent graphite
- The Project has had no modern exploration for graphite and the directors of Alba believe that there are good prospects for significant exploration upside

Earn-in Terms

The principal earn-in terms with Artemis pursuant to the Agreement are as follows:

(a) In consideration for securing an option to earn into the Project, Alba has agreed to pay Artemis £50,000 in cash consideration and to fund a minimum of DKK 529,954 (approximately £52,000) of exploration costs on the Project by 31 December 2015. Alba intends to conduct a remote sensing study as part of this work.

(b) The Company may elect to earn a 25 per cent. interest in the Project by 31 March 2016 through the issue of £50,000 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.

(c) The Company may elect to earn an additional 24 per cent interest in the Project by 31 March 2017 through the issue of a further £50,000 of Alba shares to Artemis (calculated at a 20 trading day 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, which would increase Alba’s interest in the Project to 49 per cent.

(d) Thereafter, Alba shall have the right to increase its interest in the Project to 70 per cent by meeting the 2017/2018 commitment of DKK 4,430,320 (approximately £438,000). This shall be subject to Greenlandic Governmental approvals being obtained for Alba to acquire a majority interest in the Project, and the renewal of the existing licence (which expires on 31 December 2017) for a further five year period commencing 1 January 2018. The parties shall co-operate to ensure the satisfaction of these conditions.

(e) During the earn in period, Alba shall propose programmes and budgets to a joint venture board ("JV Board"), which will comprise representatives from both Artemis and Alba. Approval of these programmes and budgets by the JV Board shall not be unreasonably withheld or delayed.
While Artemis retains a majority interest in the Project, it shall be entitled to appoint a majority of the JV Board. Thereafter, Alba shall retain a majority of the JV Board.

(f) Once Alba’s holding reaches 70 per cent, Artemis shall have the right to joint fund further expenditure pro rata to maintain its residual 20 per cent interest in the Project.

(g) Once Alba’s holding reaches 70 per cent, Alba will take over Artemis’s rights and obligations under a put and call option in respect of the partially free carried 10 per cent interest currently held by a minority shareholder in the Project (“minority interest”) (save that if Artemis elects to fund its residual 20 per cent interest, it shall fund its pro rata proportion of the minority interest). The put and call option over the minority interest may be exercised by either party following completion of a bankable feasibility study for an agreed price or, failing agreement, a price determined by independent valuation.

(h) Following Alba acquiring a majority interest in the Project, and upon either a bankable feasibility study being completed which confirms the economic viability of the Project or upon the commencement of commercial production, Alba shall issue a further £150,000 of Alba shares to Artemis (calculated at a 20 trading day VWAP).

(i) While Alba is earning into the Project, it will be the manager of the Project.

(j) Alba shall be entitled to accelerate any of the earn-in stages, should it wish to do so.

Aside from the known graphite deposit, there is also the possibility of additional resource credits being added to the Project, including gold, platinum group elements (PGEs) and nickel. As Alba will earn an interest in the Project vehicle, it will thereby earn an interest in all commodities not just in the graphite.

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

**Historic Exploration and Production**

Greenland has a long history of graphite mining. The Amitsoq graphite mine was an open-cut operation between 1914 and 1924 and produced circa 5,500 tonnes at an average grade of 20 per cent graphite. The graphite was sent to Copenhagen for processing. Other than a local government funded mineral inventory and potential study in 1986, conducted by Danish company A/S Nielson, no other graphite exploration or development has taken place in the licence area since production ceased. Metallurgical testwork on behalf of A/S Nielson reported some flakes reaching a maximum of 15 mm (“super jumbo” flake size), with the average flake size being 0.2-0.3 mm (+60 mesh, or “jumbo” flake size).

**Proposed Future Work**

During the option period, Alba intends to undertake further historical data acquisition and to carry out field work (ground truthing, mapping and sampling), weather permitting. A remote sensing study is expected to be commissioned to complete this first phase of work. Should the Company then decide to exercise the option to earn into the Project, Alba intends to bring modern exploration concepts and an updated geological model to the Project in an effort to fast track towards the initiation of a bankable feasibility study. This would be achieved by employing high-resolution modern airborne electromagnetic (EM) and magnetic surveys to identify graphitic horizons. Follow-up work would consist of diamond drilling to provide a resource estimation.

Maps and photographs of the Project area will be available shortly on the Alba website at www.albamineralresources.com.
Location
The mine is located on the coast of an island located 15 km north of Nanortalik town and heliport. Access is by helicopter or boat. The Nalunaq gold mine, operated until recently by Angel Mining PLC, is located 18 km to the north-east of the former mine. Licence 2013/06, which encompasses the former Amitsoq graphite mine, covers a land area of 146 km² and encompasses the whole of Amitsoq island and the mainland to the east of Nanortalik.

About Graphite
The current industrial uses of graphite include steel, refractories, brake lining and other automotive products. The expected largest growth area is associated with lithium ion batteries, currently the preferred battery source for electric vehicles. According to *Industrial Minerals*, graphite is the second-largest input material required in lithium ion batteries by volume. Other growth areas for graphite include fuel cells, aluminium anodes, pebble-bed nuclear reactors, and graphene.

The European Union and the USA have named graphite a mineral in critical supply.

Mike Nott, Alba’s CEO, commented:

“The option that Alba has secured to earn into the Project gives the Company the opportunity to explore in the very southern part of Greenland and on a similar latitude to the Shetland Islands, in a previously mined area where there is significant historic geological information.

“Alba is excited to enter into this sector and to offer AIM shareholders and investors access to a graphite project. Future demand for graphite looks firm due to its long-standing industrial uses, including its role as a key component in lithium-ion batteries.”

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Additional Information
Alba holds interests in Mauritania (uranium: JV with FOSSE Investments Limited) and Ireland (base metals) and a 10 per cent interest (which may increase to a 15-20 per cent interest – see our announcement dated 24 September 2015) 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) (“Horse Hill”).
The projects are at different stages of development. The Mauritania uranium project comprises early phase exploration targets, whereas drilling has been undertaken on the Irish base metals project. The Horse Hill-1 well was also recently drilled, targeting a number of conventional stacked oil and gas targets.

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.