

ALBA MINERAL RESOURCES PLC HALF-YEARLY REPORT

CHAIRMAN'S STATEMENT

The Board of Alba Mineral Resources plc (the "Company" or "Alba" or collectively with its Subsidiary Companies, the "Group") is pleased to report the Company's interim results for the six months ended 31 May 2017. They incorporate the results of its subsidiary companies Aurum Mineral Resources Limited ("AMR"), Mauritania Ventures Limited ("MVL"), Obsidian Mining Limited ("OML"), Alba Mineral Resources Sweden AB ("Alba Sweden", dissolved 18 January 2017) and White Eagle Resources Limited ("WERL", incorporated 9 May 2017) (collectively the "Subsidiary Companies").

INTRODUCTION

Alba is a mineral exploration company with a diverse portfolio of assets. Alba holds interests in the UK onshore oil & gas exploration and production sector, as well as mineral exploration assets in Greenland (graphite, gold and ilmenite), Ireland (base metals) and Mauritania (uranium). The Company's overall corporate strategy is to identify and acquire natural resources projects it believes to have significant potential for advancement through the exploration and development phases with a view to ultimate production. The Company's focus is on securing interests in historic production assets (such as at Brockham and Amitsoq) or otherwise identifying projects that have significant exploration potential (such as at Horse Hill and Thule Black Sands).

RESULTS FOR THE PERIOD

The Group made a loss attributable to equity holders of the parent for the period, after taxation, of £334,972. The basic and diluted loss per share was 0.02p.

REVIEW OF ACTIVITIES

Horse Hill (Oil & Gas, United Kingdom)

Alba owns a 15 per cent shareholding in Horse Hill Developments Limited ("HHDL"). HHDL is a special purpose company that owns a 65 per cent participating interest and operatorship of Petroleum and Exploration Development Licence (PEDL) 137 and the adjacent Licence PEDL246 on the northern side of the Weald Basin near Gatwick airport. Alba therefore has an effective interest of 9.75 per cent in the Horse Hill licences. The remaining 35 per cent participating interests in the PEDL137 and PEDL246 licences are held by US-based Tellurian Inc. The Horse Hill-1 well ("HH-1") is located within onshore exploration licence PEDL137.

During the reporting period it was announced that Xodus oil & gas consultants had upgraded the Portland sandstone P50 Oil in Place (OIP) to 32 million barrels, a 53 per cent increase on previous calculations. The Company also announced that it had been informed by the Operator, HHDL, that the Oil & Gas Authority ("OGA") had consented to extend the PEDL137 and PEDL246 licences until 2021. Subsequent to the reporting period, the Company was informed by HHDL that it understood that its planning application for long term production testing and further appraisal drilling would be determined at a scheduled Surrey County Council planning meeting by September 2017.

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

In February 2017 Alba completed the acquisition of a further 41 per cent interest in the Amitsoq project thereby becoming the owner of 90 per cent of the project.

Preliminary results from the airborne electro-magnetic and magnetic survey at Amitsoq were announced during the reporting period. Several new faults and numerous EM anomalies associated with potential graphite horizons were identified with a total strike length of 12.05 kilometres.

The Company also 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. The head grade of +25 per cent graphite confirms Amitsoq ore to be amongst the highest grade of any graphite project in the world. Simple processing was able to achieve +99 per cent recovery of the graphite from the gangue material, with the bulk of the flake graphite recovered being in the +150µ category (medium flake), essential for supply to the lithium-ion battery market, and the premium value +300µ jumbo to super jumbo category.

Brockham (Oil & Gas, United Kingdom)

During the reporting period the Company completed the acquisition of a 5 per cent participating interest in Production Licence (PL) 235 comprising the Brockham Oil Field. Alba therefore became a licensee under PL 235.

In March 2017 Alba was advised by the Operator, Angus Energy, 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 Operator confirmed that the preliminary results from the Brockham X4Z well confirm very similar thickness of reservoir and properties to those reported at Horse Hill.

In May 2017 the Operator announced that it had submitted the required Field Development Plan (FDP) Addendum to commence production from the Kimmeridge layers at PL 235.

Limerick (Base Metals, Ireland)

The Limerick Project, comprising an exploration licence in the Limerick Basin in the Republic of Ireland which is 100 per cent owned by the Group, is highly prospective for zinc, lead, gold and silver and is only 10 km away from and part of the same target unit as the Pallas Green zinc discovery.

During the reporting period Alba announced the results of a microgravity study and portable XRF shallow soil sampling programme at the project, as well as laboratory assay results from select soil samples taken during the programme. The most pronounced anomalism discovered was for copper-silver-arsenic (Cu-Ag-As), similar to that found at the former Gortdrum copper-silver (Cu-Ag) mine 25 km due east.

El-Mreiti (Uranium, Mauritania)

An application has been submitted to the Mauritanian Authorities to take out a new licence over a reduced area within the original licence area, which includes the centre of the previously discovered and announced high-tenor uranium anomalies.

Other Development Projects

Alba continues to review other project and investment opportunities with the potential to enhance the value of Company's portfolio of assets.

Corporate

On 13 January 2017 the Company announced that it had raised £153,431 from the exercise of existing share warrants. The Company also 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) a total of 60 million share options vesting in tranches over the 18 month period following the date of grant (with an exercise price of 0.4p and a 10 year expiration date). 15 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.

On 30 May 2017, the Company announced that with effect from 1 June 2017 Michael Nott was stepping down as the Company's CEO but would remain on the Board as a non-executive director.

Post Period End

In July 2017 the Company announced that the Alba field team had discovered significant new graphite zones in the southern part of Amitsoq island and on the mainland portion of the licence.

In August 2017 the Company announced that it had been granted an exclusive mineral exploration licence over a significant proportion of the coastline in the Thule black sand province in north-west Greenland. The licence area is prospective for heavy mineral sands, especially ilmenite.

On 25 August 2017 the Company announced that it had raised £1,065,000 before expenses in a share placing at 0.4p per ordinary share.

Outlook

Alba's management team has spent the past number of years identifying and securing interests in a suite of assets with significant value-enhancing potential for the Company's shareholders. Whether this is our venture into the UK onshore oil & gas sector with our investments in Brockham and Horse Hill, or our move to secure majority ownership of the high grade and previously producing Amitsoq graphite project in southern Greenland, and most recently the award to Alba of an exclusive exploration licence over a significant portion of the highly prospective Thule ilmenite province in north-west Greenland, Alba's current portfolio of assets places the Company in a strong position as we move into the remainder of 2017.

George Frangeskides
30 August 2017
Executive Chairman

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

For further information please visit the Company's website, www.albamineralresources.com, or contact:

Alba Mineral Resources plc George Frangeskides, Chairman Tel: +44 (0) 20 7264 4366

Cairn Financial Advisers LLP James Caithie/Liam Murray Tel: +44 (0) 20 7213 0880
(Nominated Advisers)

**UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 MAY 2017**

	Unaudited 6 months ended 31 May 2017	Unaudited 6 months ended 31 May 2016	Audited Year ended 30 Nov 2016
Revenue	-	-	-
Cost of sales	-	-	-
Gross loss	-	-	-
Other administrative expenses	(335,320)	(200,118)	(425,562)
Exceptional items	-	-	-
Administrative expenses	(335,320)	(200,118)	(425,562)
Operating (loss)/profit	(335,320)	(200,118)	(425,562)
Finance costs	-	-	-
(Loss)/profit before tax	(335,320)	(200,118)	(425,562)
Taxation	-	-	-
(Loss)/profit for the year	(335,320)	(200,118)	(425,562)
Attributable to:			
Equity holders of the parent	(334,972)	(198,803)	(425,390)
Non-controlling interests	(348)	(1,315)	(172)
	(335,320)	(200,118)	(425,562)
Loss per ordinary share Basic and diluted	(0.02) pence	(0.03) pence	(0.03) pence

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2017**

	Unaudited 6 months ended 31 May 2017	Unaudited 6 months ended 31 May 2016	Audited Year ended 30 Nov 2016
Non-current assets			
Intangible fixed assets	1,447,780	668,330	1,383,895
Investments	2,288,320	2,114,222	2,286,315
Available for sale assets	56,285	-	56,285
Total non-current assets	<u>3,792,385</u>	<u>2,782,552</u>	<u>3,726,495</u>
Current assets			
Trade and other receivables	36,371	108,962	15,261
Cash and cash equivalents	350,280	336,050	668,340
Total current assets	<u>386,651</u>	<u>445,012</u>	<u>683,601</u>
Current liabilities			
Trade and other payables	(153,934)	(121,503)	(377,212)
Financial liabilities	(253,074)	(254,074)	(253,073)
Total current liabilities	<u>(407,008)</u>	<u>(375,577)</u>	<u>(630,285)</u>
Net assets	<u>3,772,028</u>	<u>2,851,987</u>	<u>3,779,811</u>
Capital and reserves			
Called up share capital	2,720,503	2,124,421	2,654,703
Share premium account	3,610,303	2,953,786	3,472,671
Warrant reserve	246,050	446,291	546,098
Retained losses	(3,224,727)	(3,082,659)	(3,309,246)
Merger reserve	200,000	200,000	200,000
Foreign currency reserve	193,821	184,867	189,159
Equity attributable to equity holders of the parent	<u>3,745,950</u>	<u>2,826,706</u>	<u>3,753,385</u>
Non-controlling interests	26,078	25,281	26,426
Total equity	<u>3,772,028</u>	<u>2,851,987</u>	<u>3,779,811</u>

**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 MAY 2017**

	Unaudited 6 months ended 31 May 2017	Unaudited 6 months ended 31 May 2016	Audited Year ended 30 Nov 2016
Cash flows from operating activities			
Operating loss	(335,320)	(200,118)	(425,562)
Non-cash settlement of fees for professional services	-	-	60,000
Share option charge	119,443	-	99,807
Foreign exchange revaluation adjustment	4,663	896	5,190
(Decrease)/ increase in creditors	(42,378)	41,503	75,312
(Increase)/ decrease in debtors	(21,110)	(12,019)	81,682
Net cash used in operating activities	<u>(274,702)</u>	<u>(169,738)</u>	<u>(103,571)</u>
Cash flows from investing activities			
Payments for deferred exploration expenditure	(169,784)	(5,456)	(380,121)
Payments for available for sale assets	-	-	(56,285)
Investments	(27,005)	(276,000)	(433,494)
Net cash used in investing activities	<u>(196,789)</u>	<u>(281,456)</u>	<u>(869,900)</u>
Cash flows from financing activities			
Proceeds from issue of shares and warrants	153,431	525,000	1,425,001
Cost of issue	-	(26,250)	(71,684)
Net cash generated from financing activities	<u>153,431</u>	<u>498,750</u>	<u>1,353,317</u>
Net increase in cash and cash equivalents	(318,060)	47,556	379,846
Cash and cash equivalents at beginning of period	668,340	288,494	288,494
Cash and cash equivalents at end of year	<u>350,280</u>	<u>336,050</u>	<u>668,340</u>

NOTES TO THE HALF-YEARLY FINANCIAL INFORMATION

1. Basis of preparation

The Group consolidates the financial statements of the Company and its subsidiary undertakings.

The financial information has been prepared under the historical cost convention in accordance with International Financial Reporting Standards (“IFRS”), International Accountant Standards (“IAS”) and IFRS Interpretations Committee (“IFRIC”) interpretations as adopted by the European Union. The financial information set out in this half-yearly report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The same accounting policies, presentation and methods of computation are followed in this interim condensed consolidated report as were applied in the Group's annual financial statements for the year ended 30 November 2016. The auditor's report on those financial statements was unqualified and did not contain any statements under section 498(2) or section 498(3) of the Companies Act 2006. The auditor's report for the year ended 30 November 2016 did include emphasis of matter paragraphs relating to the uncertainty as to whether the Group can raise sufficient funds to continue to develop the Group's exploration assets.

2. Taxation

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

3. Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of £334,972 (May 2016: £198,803; November 2016: £425,390) by the weighted average number of shares of 1,863,339,824 (May 2016: 742,971,557; November 2016: 1,373,008,189) in issue during the period. The diluted loss per share calculation is identical to that used for basic loss per share as the exercise of warrants would have the effect of reducing the loss per ordinary share and therefore is not dilutive under the terms of Financial Reporting Standard 22 “Earnings Per Share”.