ALBA
MINERAL RESOURCES

Annual Report 2005

Alba Mineral Resources plc is a junior explorer with a diversified commodity portfolio, primarily nickel, gold, copper, cobalt and platinum group metals, focussed on the Appalachian–Caledonide trend, a zone extending from the eastern seaboard of North America to Scandinavia.

Alba currently has interests in a number of well-researched properties in Scotland and Ireland, owned in its own right or in conjunction with other parties.

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Exploration Highlights

- **Verification drilling at Arthrath confirms a thick zone of sulphide mineralization showing down-dip continuity at Arthrath. Further drilling planned following geophysical surveying in search of high grade nickel-copper zones within a large, under-explored system.**
- **Reconnaissance rock sampling at Bohaun outlines a large and coherent zone of gold bearing outcrops and returned high-grade gold results of up to 587.1grams per tonne gold ("g/t Au").**
- **A shareholding agreement between Alba and Altius Minerals Corporation of Newfoundland signed to pursue exploration programmes, specifically for magmatic nickel sulphides, in areas of Norway, Sweden and Finland.**

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Chairman's Statement

The results for Alba Mineral Resources Plc (the "Company", and collectively with the Subsidiary Company, the "Group") cover the period from 12 November 2004, the date of incorporation, to 30 November 2005. They incorporate the results of its only subsidiary, Aurum Mineral Resources Limited (the "Subsidiary Company"), which is wholly owned.

Introduction

The Company acquired the Subsidiary Company on 4 March 2005. The Subsidiary Company holds or has applied for exclusive rights to explore a portfolio of mineral exploration properties, primarily gold and nickel exploration projects in Scotland and Ireland, which are at different stages of development from conceptual exploration targets to more advanced drill ready projects.

The Company was admitted to the AIM market on 4 April 2005 after successfully raising £1,050,000 (before expenses) to finance the exploration of its existing gold, nickel and base metal projects and to investigate, acquire and advance further exploration properties, as identified elsewhere.

On 23 September 2005 the Company placed 1,250,000 ordinary shares of 1 pence each at 8 pence per share with Altius Minerals Corporation ("Altius"). The gross proceeds of the placing were £100,000. The Group has entered into an agreement with Altius to use the proceeds of the placing for exploration activities in certain areas in Norway, Sweden and Finland.

Review of Activities

The Board has been actively exploring and enhancing its understanding of the Group's nickel-copper-PGE and gold licences which it holds in Scotland and Ireland.

The Group's activities have principally been focused on its nickel-copper-PGE prospect in Scotland where orientation geochemical and geophysical sampling programmes and verification drilling have been undertaken. The drilling results from this project have been highly encouraging and clearly demonstrate the size of the mineralizing system and highlight the potential for higher grades within the large, poorly explored area over which the Group has an interest. The Board believes that this project has now sufficiently progressed to enable it to examine and evaluate the various options available to it to pursue further detailed exploration.

The Group has also undertaken initial exploration activities at its Bohaun, Lough Gowna and North Limerick properties in Ireland. Positive initial exploration results from a rock sampling programme confirmed Bohaun as a prospective gold target with high-grade potential. The Group intends to conduct detailed infill sampling, soil sampling and prospecting to further assess this exciting project. Work programmes at Lough Gowna and North Limerick are ongoing and the Group looks forward to reporting the results of these activities in due course.

As referred to above the Group has entered into an agreement with Altius to conduct exploration activities in certain areas in Norway, Sweden and Finland. Regional target generation has commenced identifying priority areas for detailed exploration.

Outlook

The Group is a committed junior explorer developing a diversified exploration portfolio focused on the Appalachian-Caledonide trend, a zone extending from the eastern seaboard of North America to Scandinavia. The Group's overall corporate and exploration strategy is to develop a series of well-researched and promising exploration properties which will be pursued further, either in the Group's own right or in conjunction with other parties.

Whilst our principal objective, in the immediate future, is to further advance our nickel-copper-PGE prospect in Scotland, we are also aware that there are potential opportunities in base and precious metals elsewhere. We will continue to evaluate such projects, adding them to our portfolio where appropriate, whilst at the same time looking to advance the development of our existing projects.

Lance O'Neill
Chairman
11 April 2006

Exploration Properties Review

Scotland

Arthrath Nickel-Copper-PGE Project

The Arthrath nickel-copper-PGE property near Aberdeen in Scotland is centred on a 10 kilometre long, east–west trending mafic intrusion that contains zones with significant nickel and copper sulphides. The Group has acquired access rights and mineral rights lease options with landowners over 24 square kilometres, encompassing the majority of the prospective Arthrath intrusion.

Mineralized drillcore from the Arthrath Ni-Cu-Co-PGE project, Scotland.

Sulphides are widespread throughout the intrusion at low concentrations, with higher, approaching economic concentrations, occurring in five main zones. The more consistently mineralized lithologies are the contaminated norites, a rock formed through the assimilation of the host rock by the molten intrusion. The sulphide mineralogy is dominated by pyrrhotite with sub-ordinate chalcopyrite, pentlandite and trace pyrite.

The Arthrath Ni-Cu deposit has some important affinities with the Voisey's Bay Ni-Cu-Co deposit near Nain in Labrador, Canada, and the Group has adopted this relatively new conceptual model to guide its exploration programmes. Such work is designed to detect zones of economic-grade mineralization:

- deeper within the existing Arthrath mineralized system;
- further east along strike where faulting may be exposing deeper levels in the Arthrath intrusive;
- further west in the Arnage-Haddo House intrusive mass, particularly at the base or entry point of the Arthrath dyke.

Between 1968 and 1973 Explorations Ventures Limited (an RTZ–Consolidated Goldfields joint venture company) completed 36 drill holes and encountered nickel and copper-bearing sulphide mineralization over a 4.5 kilometre strike length, central to the area now being explored by the Group. Previous drilling was widely spaced and did not, in the Board's opinion, adequately test the potential of the intrusion.

Drilling operation at Arthrath, Scotland, August 2005.

A programme of verification drilling by the Group during 2005 focused on the zone drilled by previous operators, which had indicated the presence of better grade nickel and copper mineralization. Simultaneous with the drilling programme, extensive soil geochemical, surficial and downhole geophysical surveys were conducted to aid the interpretation of the mineralized intrusive system and define additional drilling targets.

Drilling

As announced on 29 November 2005 and 23 January 2006, a two-hole programme was designed to confirm both the grade and style of sulphide mineralization and also to test initial interpretations from historical data that a northerly dipping mineralized body was present within a vertical or sub-vertical intrusive body.

The first hole was drilled at 45 degrees to the south and intersected 178 metres of variably developed, disseminated and net-texture magmatic sulphide mineralization, with encouraging intersections encountered from bedrock at 17.3 metres:

- 109.7 m @ 0.26% Ni, 0.29% Cu, 0.019% Co and 2.3g/t Ag from 17.3 m, including
- 7.8 m @ 0.51% Ni, 0.54% Cu, 0.033% Co, 169 ppb Pd+Pt+Au and 4.1g/t Ag from 103.2 m

Remobilized Ni-Cu mineralization present in the drillcore at Arthrath, Scotland.

Exploration Properties Review continued

The second hole was designed to test the northern and southern contacts of the intrusion and undercut the encouraging mineralization encountered in the first hole. Drilling intersected 301.2 metres of similar nickel-copper sulphide mineralization with the main mineralized interval returning 78.6 metres @ 0.20% Ni, 0.18% Cu, 0.016% Co from 184.4 metres.

Correlations between the Group verification holes and historical drill holes AD17 and AD20 demonstrate a potential for up to 350 metres of down-dip extension of the mineralization from surface, with further depth and lateral potential currently untested (see cross-section on page 6). The drilling has confirmed that the mineralization in both holes increases in intensity towards an un-mineralized norite footwall, suggesting at least two pulses of magmatism.

The presence of more than one magma pulse, in conjunction with diagnostic sulphide and lithological textures seen in the Group's drill core suggest formation within a magma conduit. Current interpretations of data from nickel deposits at Voisey's Bay, Canada, and Jinchuan, China, are indicative of similar conduit-type geological settings.

Geophysical surveying at Arthrath.

Strong correlations exist between nickel, sulphur and iron, suggesting that most of the nickel is present in sulphide, and indicating that any massive sulphides present in the system could contain grades of approximately 2.5–3.0% nickel.

With the prospective nature and the geographical extent of the Arthrath intrusion confirmed, the next phase of exploration during 2006 will focus on the discovery of semi-massive to massive sulphide zones within this large system. The Group plans to conduct programmes of deep penetrating ground electro-magnetic geophysics (UTEM) and specialised mobile metal ion (MMI) shallow soil sampling. Drilling of targets identified will be undertaken where warranted.

Scottish Gold Projects

The Group has identified a number of prospective mesothermal lode-gold and epithermal gold targets in Scotland at Loch Tay, near Aberfeldy, Borland Glen in Perthshire and Knapdale in Argyllshire.

Coarse-grained gold and cinnabar (red) collected by panning at Borland Glen, Scotland.

An exploration strategy that systematically explores regional target areas, whilst focusing on zones of known, localised bedrock gold mineralization within the regional play is being pursued. However, the projects have not been advanced as rapidly as anticipated due to ongoing commercial negotiations relating to the Mines Royal Licences under which gold and silver exploration will be conducted. It is hoped that these negotiations will be concluded shortly.

Ireland

Bohaun Epithermal Gold Project

The Bohaun gold project is a block of eight contiguous exploration licences totalling 177 square kilometres where the Group is targeting low-sulphidation epithermal gold mineralization, a style of mineralization which often contains cross-cutting high-grade "bonanza" veins.

Visible gold (shown by arrows) collected from Bohaun, Ireland.

The focus of the Group's interest is a north–south striking auriferous zone of silicification, hosted within a package of meta-sedimentary country rock. This structure was discovered during previous exploration activity by Ovoca Gold plc in the early 1990s. The zone exhibits variably developed quartz stockworks and breccias containing minor disseminated sulphides and visible gold. From a regional perspective the area offers similar potential with a number of gold occurrences identified within the prospect which have yet to be followed up by more detailed exploration.

As announced on 14 February 2006, in late 2005 a programme of reconnaissance rock sampling and mapping was conducted across the north-north-east trending silicified zone, to verify the tenure of gold values, geochemical zonation and styles of alteration and mineralization.

Grab and chip sampling (perpendicular to the dominant structural trend) was conducted across outcrops and results from the sampling programme revealed that all samples within the silicified zone had detectable gold. A total of 66 samples were taken with the highest gold values returned being; 587.1 g/t Au (a boulder), 51.1 g/t Au, 19.9 g/t Au and 2.3 g/t Au. Twenty-six per cent of the samples taken returned values of between 0.1 and 1 g/t gold.

Geologist sampling on the North Limerick block.

The results from the sampling have outlined a large, coherent zone of gold bearing outcrops along a strike length of 1.25 kilometres and up to 150 metres in width, confirming previously known mineralization and revealing the ubiquitous nature of the gold mineralization. A full evaluation of the depth and strike potential of this zone is planned during 2006 and a regional ultra-fine stream sediment sampling programme will be undertaken throughout the regional Bohaun licence block to identify further targets.

North Limerick

The North Limerick block of ten exploration licences totalling 276.16 square kilometres, is located in the highly prospective and competitive areas of counties Limerick and Tipperary. The licences are proximal to the area of the old Gortdrum Mine (copper-mercury-silver) and approximately 10 kilometres south of the Pallas Green base-metal prospect operated by the Minco-Noranda Joint Venture, where an extensive drilling programme is in progress.

The North Limerick block is a conceptual gold play considered to have several positive attributes commonly associated with carbonate-hosted gold mineralization, including suitable host rocks, providing a potential host for gold mineralizing fluids and major structural features. The area is effectively unexplored for gold.

Work to date has resulted in the collection of a total of 218 rock samples from throughout the licence block at a sample density of approximately one per square kilometre. Samples have been analysed for a suite of 46 elements by ICPMA method and for gold and the final results for the sample programme are pending. Anomalous areas are to be investigated by shallow soil sampling follow-up during 2006 and drill-testing of coherent anomalous areas will be conducted where warranted.

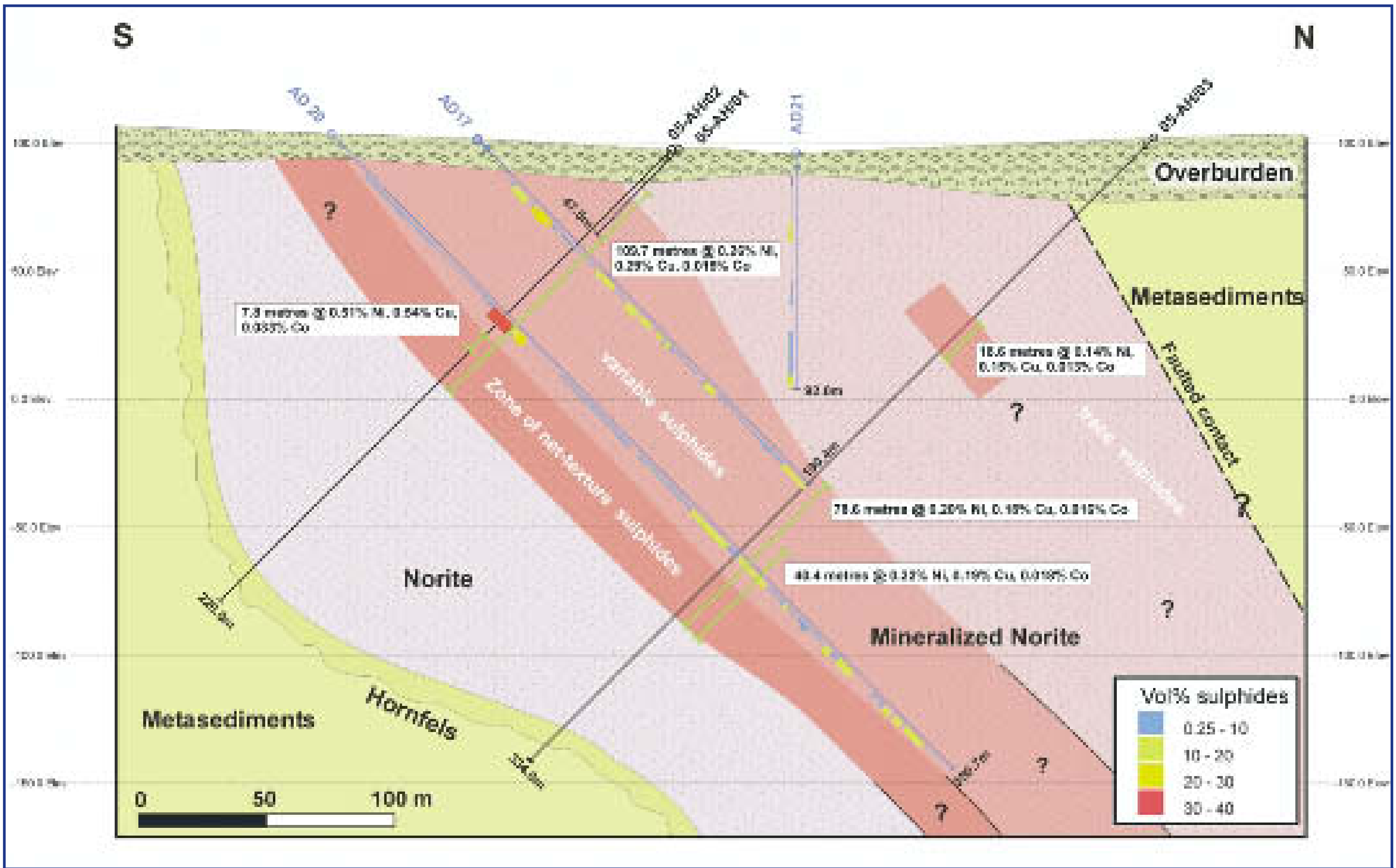
Lough Gowna

The Lough Gowna Block gold project consists of six contiguous exploration licences totalling 222.50 square kilometres held jointly by the Subsidiary Company and Tara Mines (Boliden), which are operated under a Joint Venture Agreement signed on 31 March 2006. The licences lie at the south-western end of the Slieve Glah Shear Zone, on the south-western margins of the Longford-Down Inlier, approximately 20 kilometres north-east of Longford Town, Co. Longford.

The main target of exploration activity on the Block is a gold-bearing quartz pebble conglomerate, which has been previously identified in the lower Carboniferous clastic beds that unconformably overlie Ordovician and Silurian turbidites. Gold has been panned from streams in the area and a sample of quartz pebble conglomerate outcrop taken by Tara Mines Ltd in 1992 returned a value of 1.0 g/t gold.

Technical Director Dr. Sandy Archibald signs the Altius–Alba Share Agreement at the Newfoundland Investors Forum.

Exploration Properties Review continued



Cross-section through Muirtack mineralized zone at Arthrath looking West. The pink and red zones indicate broad correlatable zones of disseminated and net-texture sulphide mineralization, respectively.

The Group, in conjunction with Tara Mines, has compiled and digitally acquired all relevant historical exploration data for the project and intends to commence an ultra-fine stream sediment survey. Exploration will focus on the quartz-pebble conglomerate target-horizon and any anomalous areas highlighted will be subjected to detailed follow-up surveys to generate drill-targets.

Scandinavia

The Group has entered into a shareholding agreement with Altius to pursue exploration programmes (specifically for magmatic nickel sulphides) in certain areas in Norway, Sweden and Finland. Under the agreement the Group has agreed to pay Altius a royalty based on the gross sales proceeds of any minerals sold as a result of discoveries made in the exploration areas, as a result of the exploration funded by the placing proceeds.

Regional target generation has begun and an internal report has been completed which has identified priority areas for regional exploration, ground acquisition and permitting. Detailed target generation will continue and verification sampling programmes are planned.

New Opportunities

All projects and resource opportunities are evaluated by the Board based on their technical and commercial merit on a case-by-case basis, with the ultimate objective being to diversify the Group's risk profile ensuring that future success is not solely dependent on results from any one project or commodity.

The corporate development of the Group's projects is a continuous process that often necessitates lengthy corporate and legal negotiations. The Group is unable to report on progress of developments until their conclusion. However, we strive to make further announcements promptly on conclusion of such processes.

Wilson S. Robb
Exploration Director
11 April 2006

Directors' Report

The directors present their report and the audited financial statements of Alba Mineral Resources plc (the "Company", and collectively with the Subsidiary Company the "Group") for the period ended 30 November 2005. The consolidated financial results of the Group include the results of Aurum Mineral Resources Limited (the "Subsidiary Company"), which is wholly owned.

Principal Activities and Business Review

The Company operates principally as a holding company and specifically provides support to the Subsidiary Company which holds or has applied for exclusive rights to explore a portfolio of mineral exploration properties, primarily gold and nickel exploration projects in Scotland and Ireland.

A review of activities is given in the Chairman's statement.

Results and Dividends

The loss for the period, after taxation, amounted to £193,176.

The directors do not recommend the payment of a dividend.

Directors and their Interests

The membership of the Board at 30 November 2005 is set out below. All directors served throughout the period. The directors' beneficial interests in the Company at 30 November 2005 were:

Board Member	Ordinary Shares of 1 pence each	Warrants of 5.25 pence each
Lance O'Neill	6,200,647	3,090,750
Nigel Duxbury	6,200,047	3,090,500
Sandy Archibald	3,519,047	1,750,000
Wilson Robb	3,519,047	1,750,000

Substantial Interests

The following interests in three per cent or more of the issued share capital at 31 March 2006 have been notified to the Company:

Name	Number of Ordinary Shares of 1 pence each	Date Notified	Percentage Held
Kerr Anderson	3,370,000	On Admission to AIM	5.6%
Vaughan Williams	3,370,000	On Admission to AIM	5.6%
Fraser Gardiner	3,370,000	On Admission to AIM	5.6%
Anne Carroll	2,400,000	On Admission to AIM	4.0%
Thomas and Philomena O'Gorman	2,400,000	On Admission to AIM	4.0%
Ragusa Capital Plc	5,904,761	On Admission to AIM	9.8%
Special Applications PVT Limited	1,840,000	On Admission to AIM	3.1%

Supplier Payment Policy

It is the Group's policy to agree and clearly communicate the terms of payment as part of the commercial arrangement negotiated with suppliers and then to pay according to those terms based upon the timely receipt of an accurate invoice. Trade creditor days for the Group have been calculated at 63 days. This represents the ratio expressed in days between the amounts invoiced to the Group by its suppliers in the last three months of the period and amounts due at period end from trade creditors.

Auditors

Nexia Audit Limited have expressed their willingness to continue in office as auditors and a resolution to appoint them will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

Nigel Duxbury
Secretary
11 April 2006

Corporate Governance

The Company's ordinary shares are traded on AIM and the Company is therefore not formally required to comply with the provisions of the Combined Code. However, the Board is committed to high standards of corporate governance and sets out below details of how it has applied those provisions of the Code appropriate to the Company's circumstances.

Board Structure

The Board currently comprises two part-time executive directors and two non-executive directors. One of the part-time executive directors acts as Chairman of the Company.

To enable the Board to function effectively, full and timely access is given to all information.

The Board is structured so that all directors have input to provide a balance to decision making.

The two part-time executive directors are engaged under service contracts, and the two non-executive directors under letters of appointment. In accordance with the Company's memorandum and articles of association each director shall retire from office at the third general meeting after that at which he was elected and may offer himself for reappointment.

The Board meets on a regular basis and has a schedule of matters reserved for it, including, but not limited to, operational and financial performance.

Any training that individual directors feel is necessary in fulfilling their duties is available and all directors have access to independent advice if necessary.

Remuneration Committee

Under the Chairmanship of Lance O'Neill, the Remuneration Committee determines the remuneration and contractual arrangements of individual executive and non-executive directors. The present members of the Committee are:

Lance O'Neill (Chairman)
Wilson Robb

Audit Committee

Under the Chairmanship of Lance O'Neill, the duties of the Audit Committee currently cover a review of the Company's financial reporting. The Committee's role is to review, on behalf of the Board, the annual report and financial statements and the interim report. The Committee focuses on reviewing any changes in accounting policy, major areas of judgement and estimates and compliance with accounting principles and regulatory requirements. The present members of the Committee are:

Lance O'Neill (Chairman)
Sandy Archibald

Relations with Shareholders

The Company places importance on communication with its shareholders. Additional copies of the annual report are available to all shareholders on request and to other parties who have an interest in the Group's performance. All shareholders have the opportunity to raise questions at the Company's Annual General Meeting.

Internal Financial Control

The Board is responsible for establishing and maintaining the Group's system of internal financial control and places importance on maintaining a strong control environment. The directors have established the following key procedures with a view to providing effective financial control:

- The Group's organisational structure has clear lines of responsibility.
- Monthly results are reviewed and the finance department and directors closely review significant items.
- The Board is responsible for identifying the major business risks faced by the Group and for determining the appropriate courses of action to manage those risks.
- The executive directors are closely involved in the day-to-day supervision of the business.

The directors recognise, however, that any such system of internal financial control can only provide reasonable, but not absolute, assurance against material misstatement or loss.

Statement by Directors in Compliance with the Provisions of the Combined Code

The Board considers that it has complied, as far as practicable and appropriate for a relatively small public company, with the recommendations on corporate governance of the City Group for Smaller Companies.

Going Concern

After making enquiries, the directors formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

At the balance sheet date the Group held cash of £653,764. In order to develop the Group's exploration properties and continue in operational existence the Group will in the near future need to raise further funds. The directors expect to complete future fund raisings before the current cash reserves are exhausted. If it is not possible to raise sufficient funds then exploration programmes will need to be suspended and the carrying value of the properties may need to be written down.

Report on Directors' Remuneration

The Remuneration Committee fixes the remuneration of the executive and non-executive directors.

Service Contracts

The two executive directors are engaged under service contracts, and the two non-executive directors under letters of appointment. The service contracts were effective from the date of admission of the ordinary shares to trading on AIM and are for an initial term of twelve months and thereafter terminable by either party on six months' notice. The letters of appointment were effective from the date of admission of the ordinary shares to trading on AIM and are for an initial term of twelve months and thereafter terminable by either party on six months' notice.

Share Options

The Company believes that share ownership by executive directors and senior executives strengthens the links between their personal interests and those of investors and the Board intend to consider the adoption of a share option scheme in due course.

Directors' Interests

The directors' interests in the ordinary shares and warrants of the Company are set out in the directors' report on page 7.

Directors' Remuneration

The directors' remuneration information is set out in note 4 to the financial statements.

By order of the Board

Nigel Duxbury
Secretary
11 April 2006

Statement of Directors' Responsibilities

Directors' Responsibilities for the Financial Statements

United Kingdom company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the Group at the end of the financial period and of the profit or loss of the Group for the period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control and safeguarding the assets of the Company and the Group, and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of Alba Mineral Resources plc

We have audited the financial statements of Alba Mineral Resources plc for the period ended 30 November 2005, which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet and the consolidated cash flow statement and the related notes 1 to 22. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report, the chairman's statement, the exploration properties review and the corporate governance and directors' remuneration disclosures. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30 November 2005 and of the loss of the Group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Nexia Audit Limited
Chartered Accountants and Registered Auditors
25 Moorgate
London EC2R 6AY
11 April 2006

Consolidated Profit and Loss Account

For the period ended 30 November 2005

	Note		2005 £
Turnover from continuing operations			—
Cost of sales			—
Gross profit			—
Administrative expenses			
Acquisitions		(94,647)	
Other continuing operations		(118,798)	
			(213,445)
Operating loss			—
Acquisitions		(94,647)	
Other continuing operations		(118,798)	
Operating loss	3		(213,445)
Interest receivable and investment income	5		20,269
Loss on ordinary activities before taxation			(193,176)
Tax on loss on ordinary activities	6		—
Retained loss on ordinary activities after taxation	16		(193,176)
Loss per ordinary 1p share	8		
Basic			0.47 pence
Diluted			0.47 pence

The operating loss is attributable to continuing operations.

There are no recognised gains or losses for the period, other than the loss for the period.

Consolidated Balance Sheet

30 November 2005

	Note	2005 £
Fixed assets		
Intangible fixed assets	9	454,077
Tangible fixed assets	10	630
		454,707
Current assets		
Debtors	13	63,076
Cash at bank and in hand		653,764
		716,840
Creditors: Amounts falling due within one year	14	(187,219)
Net current assets		529,621
Total assets less current liabilities		984,328
Capital and reserves		
Called up share capital	15	603,126
Share premium account	16	374,887
Profit and loss account	16	(193,176)
Merger reserve	16	200,000
Foreign exchange revaluation reserve	16	(509)
Equity shareholders' funds	15	984,328

These financial statements were approved by the Board of directors on 11 April 2006.

Signed on behalf of the Board of directors

Lance O'Neill
Director

Company Balance Sheet

30 November 2005

	Note	2005 £
Fixed assets		
Investments	11	250,000
		250,000
Current assets		
Debtors	13	346,791
Cash at bank and in hand		575,945
		922,736
Creditors: Amounts falling due within one year	14	(68,665)
Net current assets		854,071
Total assets less current liabilities		1,104,071
Capital and reserves		
Called up share capital	15	603,126
Share premium account	16	374,887
Profit and loss account	16	(73,942)
Merger reserve	16	200,000
Equity shareholders' funds	16	1,104,071

Consolidated Cash Flow Statement

For the period ended 30 November 2005

	Note	2005 £
Net cash outflow from operating activities	17	(54,893)
Returns on investments		
Interest received		20,269
		20,269
Taxation		
UK corporation tax		—
		—
Capital expenditure		
Payments for intangible assets		(235,365)
Purchase of tangible fixed assets		(708)
		(236,073)
Acquisitions		
Net overdrafts acquired with subsidiary undertakings	12	(3,552)
		(3,552)
Financing		
Issue of ordinary share capital net of costs		928,013
		928,013
Increase in cash in the period	18	653,764

The consideration for the purchase of Aurum Mineral Resources Limited comprised shares in the Company.

Notes to the Financial Statements

1. Accounting Policies

Accounting Convention

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. The principal accounting policies of the Group are set out below.

Basis of Consolidation

The consolidated financial statements consolidate those of the Company and of the Subsidiary Company drawn up to 30 November 2005, using the acquisition method of accounting. Under the acquisition method, the results of subsidiary undertakings are included from the date of acquisition.

The difference between the nominal value of the shares, issued by the Company in exchange for shares in Aurum Mineral Resources Limited, and the issue price has been transferred to a merger reserve.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and will be written off on a straight-line basis from the date of admission of the ordinary shares of the Company to AIM over its useful economic life, which is 20 years. Provision is made for any impairment.

Intangible Assets

All costs associated with exploration are capitalised on a project-by-project basis pending determination of the feasibility of the project. Costs include appropriate technical and administrative expenses. If a project is successful, the related expenditures will be amortised over the estimated life of the commercial reserves. Where a licence is relinquished, a project abandoned, or is considered to be of no further commercial value to the Company, the related costs will be written off.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less estimated residual value in equal annual instalments over the estimated economic lives of the assets. The estimated useful economic lives are as follows:

Computer equipment 3 years

Fixed Asset Investments

Investments held as fixed assets are stated at cost less provision for any impairment in their carrying value.

Foreign Currency Transactions

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. The profit and loss account of foreign subsidiaries are translated into sterling using the average rate of exchange and the balance sheet at the closing rate of exchange. The differences arising from the translation of the opening net investments in subsidiaries at the closing rate are taken directly to a separate reserve.

Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Any assets and liabilities recognised have not been discounted.

Going Concern

At the balance sheet date the Group held cash of £653,764. In order to develop the Group's exploration properties and continue in operational existence the Group will in the near future need to raise further funds. The directors expect to complete future fund-raisings before the current cash reserves are exhausted. If it is not possible to raise sufficient funds then exploration programmes will need to be suspended and the carrying value of the properties may need to be written down.

2. Segmental Information

Operating loss by origin	**2005** **£**
United Kingdom	(73,942)
Republic of Ireland	(119,234)
	(193,176)

Net assets/(liabilities) by origin	**2005** **£**
United Kingdom	1,105,216
Republic of Ireland	(136,829)
Scandinavia	15,941
	984,328

3. Operating Loss

	2005 **£**
This is stated after charging:	
Amortisation	24,587
Depreciation	78
Impairment of mining rights	9,981
Loss on foreign exchange	4,117
Auditors' remuneration	
— audit services (all in relation to holding company)	5,000
— non-audit services	5,000

4. Directors and Employees

	2005 **£**
Directors' Remuneration	
Fees	54,495
Salaries	26,512
	81,007

Notes to the Financial Statements continued

4. Directors and Employees continued

	Fees 2005 £	Salaries 2005 £	Total 2005 £
Executive Directors			
Lance O'Neill	—	13,256	13,256
Nigel Duxbury	—	13,256	13,256
Non-Executive Directors			
Sandy Archibald	13,651	—	13,651
Wilson Robb	40,844	—	40,844
Total	54,495	26,512	81,007

Lance O'Neill and Nigel Duxbury each received a one-time fee of £26,500 for services performed in connection with the admission of the Company to AIM. There were no employees during the period apart from the four directors. No directors had benefits accruing under money purchase pension schemes.

5. Interest Receivable

	2005 £
Interest receivable	20,269
	20,269

6. Tax Charge on Loss on Ordinary Activities

a) Analysis of charge in the period

	2005 £
United Kingdom corporation tax at 30%	—
Deferred taxation	—
	—

b) Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 £
Expected tax charge at 30%	(57,953)
Effects of:	
Non-deductible expenses	10,371
Rate difference	4,233
Losses carried forward	43,349
	—

7. Loss for the Financial Period

The Company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The Company's loss for the period amounted to £73,942.

8. Loss Per Ordinary Share

Basic loss per share is calculated by dividing the loss attributed to ordinary shareholders of £193,176 by the weighted average number of shares of 40,700,500 in issue since admission to AIM. 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 14 "Earnings Per Share."

9. Intangible Fixed Assets

Group	Mining Properties £	Positive Goodwill £	Total £
Cost			
On incorporation	—	—	—
Acquired with subsidiaries	68,879	—	68,879
Additions	235,365	184,401	419,766
At 30 November 2005	304,244	184,401	488,645
Provisions and amortisation			
On incorporation	—	—	—
Provision for impairment	9,981	—	9,981
Charge for the period	—	24,587	24,587
At 30 November 2005	9,981	24,587	34,568
Net book value			
At 30 November 2005	294,263	159,814	454,077
On incorporation	—	—	—

Notes to the Financial Statements continued

10. Tangible Fixed Assets

Group	Computer Equipment £	Total £
Cost		
On incorporation	—	—
Additions	708	708
At 30 November 2005	708	708
Provision for depreciation		
On incorporation	—	—
Charge for the period	78	78
At 30 November 2005	78	78
Net book value		
At 30 November 2005	630	630
On incorporation	—	—

11. Fixed Asset Investments

Company	Shares in subsidiary undertaking £	Total £
Cost		
On incorporation	—	—
Additions	250,000	250,000
At 30 November 2005	250,000	250,000
Provisions		
On incorporation	—	—
Provided in period	—	—
At 30 November 2005	—	—
Net book value		
At 30 November 2005	250,000	250,000
On incorporation	—	—

At 30 November 2005 the Company held the following interest in subsidiary undertakings which is included in the consolidated accounts and is unlisted.

Name of company	Country of incorporation	Proportion held	Business
Aurum Mineral Resources Ltd	Ireland	100%	Exploration

12. Acquisitions

On 4 March 2005 the Company acquired the entire share capital of Aurum Mineral Resources Limited for a consideration satisfied by the issue of 5,000,000 ordinary shares of 1 pence each.

The assets and liabilities acquired are set out below:

	Book and fair value 2005 £
Fixed assets	
Intangible fixed assets	68,879
	68,879
Current assets	
Debtors	8,490
Cash	(3,552)
	4,938
Current liabilities	
Creditors	(8,218)
Total assets less current liabilities	65,599
Consideration	
Satisfied by:	
Shares issued at 5 pence per share	250,000
Total	250,000
Goodwill	184,401

13. Debtors

	The Group 2005 £	The Company 2005 £
Amounts owed by group undertakings	—	310,048
Other taxes and social security	56,337	32,497
Other debtors	136	—
Prepayments and accrued income	6,603	4,246
	63,076	346,791

Notes to the Financial Statements continued

14. Creditors: Amounts Falling Due Within One Year

	The Group 2005 £	The Company 2005 £
Trade creditors	128,882	19,720
Taxation and social security	4,421	2,088
Other creditors	60	60
Accruals and deferred income	53,856	46,797
	187,219	68,665

15. Called Up Share Capital

	2005 Number of shares	2005 £
Authorised		
Ordinary shares of 1 pence	157,500,000	1,575,000
Allotted, called up and fully paid		
Ordinary shares of 1 pence	60,312,600	603,126

The Company was incorporated with an authorised share capital of £1,000 divided into 1,000 ordinary shares of £1 each, of which one was issued nil paid.

On 25 February 2005, each authorised and issued ordinary share of £1 was subdivided into 100 ordinary shares of 1 pence each and the authorised share capital was increased to £1,575,000 by the creation of a further 157,400,000 ordinary shares of 1 pence each.

On 25 February 2005, 2,812,500 ordinary shares of 1 pence each were issued at par.

On 4 March 2005, 5,000,000 ordinary shares of 1 pence each were allotted at 5 pence per share to the shareholders of Aurum Mineral Resources Limited in consideration for the transfer to the Company of the entire issued share capital of Aurum Mineral Resources Limited.

On 4 April 2005, the Company capitalised the sum of £312,500 from the Company's share premium account to issue 31,250,000 ordinary shares of 1 pence each pursuant to a bonus issue.

On 4 April 2005, the Company placed 20,000,000 ordinary shares of 1 pence each at a price of 5.25 pence per share.

On 21 September 2005, the Company placed 1,250,000 ordinary shares of 1 pence each at a price of 8 pence per share.

At the period end, the Company had created 20,031,250 warrants to subscribe for ordinary shares in the Company at 5.25 pence per share, such warrants to be exercisable at any time between the date falling seven days after the announcement of the Company's preliminary results for the period ended 30 November 2005 and 4 April 2015 and a further 937,500 warrants to subscribe for ordinary shares in the Company at 9 pence per share, such warrants to be exercisable at any time from the date of issue to 4 April 2015.

16. Reconciliation of Shareholders' Funds and Movement on Reserves

Group	Share capital £	Share premium £	Profit and loss £	Merger reserve £	Foreign exchange revaluation reserve £	Total £
Loss for the period	—	—	(193,176)	—	—	(193,176)
Shares issued net of cost	603,126	374,887	—-	200,000	—	1,178,013
Foreign exchange revaluation	—	—	—	—	(509)	(509)
Balance at 30 November 2005	603,126	374,887	(193,176)	200,000	(509)	984,328

Company	Share capital £	Share premium £	Profit and loss £	Merger reserve £	Total £
Loss for the period	—	—	(73,942)	—	(73,942)
Shares issued net of cost	603,126	374,887	—	200,000	1,178,013
Balance at 30 November 2005	603,126	374,887	(73,942)	200,000	1,104,071

17. Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities

	2005 £
Operating loss	(213,445)
Depreciation and amortisation	24,665
Intangible asset write-offs	9,981
Foreign exchange revaluation adjustment	(237)
Increase in creditors	187,219
Increase in debtors	(63,076)
	(54,893)

18. Reconciliation of Net Cash Flow to Movement in Net Cash

	Period ended 30 November 2005 £
On incorporation	—
Increase in cash in the period	653,764
Cash at bank and in hand at 30 November 2005	653,764

Notes to the Financial Statements continued

19. Capital Commitments

There were no capital commitments at 30 November 2005.

20. Contingent Liabilities

There were no contingent liabilities at 30 November 2005.

21. Financial Instruments

The Group's financial instruments comprise cash at bank and various items such as trade debtors, current asset investments and creditors that arise directly from its operations and are therefore excluded from the disclosures. The main purpose of these instruments is to provide finance for operations. The Group has not entered into derivative transactions nor does it trade financial instruments as a matter of policy.

The Group does not pay interest on any of its financial liabilities, nor is it likely to in the future.

Interest rate risk profile of financial assets

The only financial assets (other than short-term debtors and current asset investments) are cash at bank and in hand, which comprise inter bank sterling deposits, money at call, and one month and two month rates with interest earned at a average rate of 4.13%. The directors believe the fair value of the financial instruments is not materially different to the book value.

Foreign currency risk

The Group has an Irish subsidiary, which can affect the sterling Group balance sheet as a result of movement in the sterling/euro exchange rate. The Group does not currently hedge against this exposure.

Assets and liabilities denominated in sterling and Euros

	2005
Assets	**£**
Denominated in:	
Sterling	772,502
Euros	399,045
Total assets	1,171,547
Liabilities	
Denominated in:	
Sterling	68,665
Euros	118,554
Total liabilities	187,219

22. Related Party Transactions

During the period the Group made purchases of £6,986 from EP&F Capital Plc for office space and administrative services, a company of which both Lance O'Neill and Nigel Duxbury are directors and have an interest. At the period end £3,509 was outstanding.

During the period the Group made purchases of €231,149 from Aurum Exploration Limited for contract exploration services, a company of which both Sandy Archibald and Wilson Robb are directors and have an interest. At the period end €49,298 was outstanding.

Notice of Annual General Meeting

Notice is hereby given that the 2006 Annual General Meeting of Alba Mineral Resources Plc ("the Company") will be held at 44 Southampton Buildings, London WC2A 1AP at 10:00 a.m. on 10 May 2006 for the following purposes:

Ordinary Business:
To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1) To elect Lance O'Neill, who was appointed by the Board since the Company was incorporated, as a director.

2) To elect Nigel Duxbury, who was appointed by the Board since the Company was incorporated, as a director.

3) To elect Sandy Archibald, who was appointed by the Board since the Company was incorporated, as a director.

4) To elect Wilson Robb, who was appointed by the Board since the Company was incorporated, as a director.

5) That the audited financial statements of the Company for the period ended 30 November 2005 together with the reports of the directors and auditors thereon be adopted.

6) To reappoint Nexia Audit Limited as auditors and to authorise the directors to fix their remuneration.

Special Business:
To consider and, if thought fit, pass the following resolutions, of which resolution 7 will be proposed as an ordinary resolution and resolution 8 as a special resolution:

7) That the directors be generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (as defined in section 80 of the Companies Act 1985 ("the Act")) in the Company up to an aggregate nominal amount of the authorised but unissued ordinary share capital of the Company immediately following the passing of this resolution provided that the authority hereby conferred shall operate in substitution for and to the exclusion of any previous authority given to the directors pursuant to Section 80 of the Act and shall expire 15 months after the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company.

8) That, subject to and conditional upon the passing of resolution 7 above, the directors be and they are hereby empowered, pursuant to the general authority conferred upon them by the passing of resolution 7 above, to allot equity securities (within the meaning of section 94(2) of the Act) of the Company for cash as if section 89(1) of the Act did not apply to any such allotment, pursuant to the general authority conferred on them by the passing of resolution 7 above (as varied from time to time by the Company in General Meeting), provided that such power shall be limited to:

   a) the allotment of equity securities in connection with or pursuant to an offer by way of rights or other pro rata offer to the holders of equity securities (and other persons entitled to participate therein) in proportion (as nearly as may be) to the respective numbers of equity securities held by them (or, as appropriate, the number of equity securities which such other persons are for those purposes deemed to hold), subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory body or any stock exchange in any territory; and

   b) the allotment (other than pursuant to paragraph (a) above) of equity securities for cash up to a maximum nominal amount equivalent to 50% of the issued share capital of the Company on the date of the passing of this resolution;

and the power hereby conferred shall operate in substitution for and to the exclusion of any previous power given to the directors pursuant to Section 95 of the Act and shall expire on the date of the next annual general meeting of the Company or 15 months after the date of the passing of this resolution (whichever is the earlier) but so that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

By order of the Board

Nigel Duxbury
Secretary
15 April 2006
Registered Office:
1st Floor
46 Maddox Street
London W1S 1QA

Notice of Annual General Meeting continued

Notes:

1. A member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a member. A form of proxy is enclosed.
2. The form of proxy, if used, and the power of attorney or other authority (if any) under which it is signed (or a certified copy of such power of authority) must be lodged at the Company's registrars, Shares Registrars, Craven House, West Street, Farnham, Surrey, GU9 7EN not less than 48 hours before the time fixed for holding the meeting.
3. Completing and returning a form of proxy will not preclude a member from attending in person at the meeting and voting should he or she wish to do so.
4. In the case of a corporation, the form of proxy must be executed under its common seal or the hand of an officer or attorney duly authorised.
5. Members who hold ordinary shares in the Company in uncertified form must have been entered on the Company's register of members by 10:00 a.m. on 8 May 2006 in order to be entitled to attend and vote at the meeting. Such members may only vote at the meeting in respect of ordinary shares in the Company held at that time.
6. There will be available for inspection at the Company's registered office between the hours of 9:00 a.m. and 5:30 p.m. from the date of this notice until the date of the meeting (Saturdays, Sundays and public holidays excluded) and at the place of the meeting from 8:30 a.m. until the conclusion of the meeting:

   (a) copies of all contracts of service of the directors with the Company or with any of its subsidiaries; and

   (b) the register of directors' interests maintained under section 325 Companies Act 1985.

Form of Proxy

Alba Mineral Resources plc
(the "Company")

FORM OF PROXY

Proxy for use at the Annual General Meeting to be held at 44 Southampton Buildings, London WC2A 1AP at 10:00 a.m. on 10 May 2006

(a) I/We .... of. ....
being a member(s) of Alba Mineral Resources plc, hereby appoint

(b) ....
or failing him/her the Chairman of the Meeting, as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:00 a.m. on 10 May 2006 and at any adjournment thereof.

(c)

Ordinary Resolutions	**FOR**	**AGAINST**
1. To elect Lance O'Neill as a director		
2. To elect Nigel Duxbury as a director		
3. To elect Sandy Archibald as a director		
4. To elect Wilson Robb as a director		
5. To adopt the audited accounts of the Company for the period ended 30 November 2005		
6. To reappoint the auditors and to authorise the directors to fix their remuneration		
7. To authorise the directors to allot shares		
Special Resolutions	**FOR**	**AGAINST**
8. To disapply statutory pre-emption rights in relation to the allotment of equity securities		

(d) Signature(s) or Common Seal ....

. ...

Date ....

Notes:

(a) Please insert full name(s) of all holders.

(b) Members entitled to attend and vote at the meeting may appoint one or more proxies of their own choice to attend and, on a poll, vote in their stead. A proxy need not be a member in Alba Mineral Resources plc but must attend the meeting in person to represent the member.

(c) Please indicate above with an "X" how you wish your vote to be cast. If you do not so indicate, then in relation to the resolution proposed at the meeting, the proxy will abstain or vote at his/her discretion.

(d) In the case of a corporation, this proxy must be under the common seal or under the hand of an officer or attorney duly authorised. In the case of joint holdings, the signature of the first named on the register of members will be accepted to the exclusion of the votes of the other joint holder(s).

(e) Any alteration to this form of proxy should be initialled.

(f) This proxy will be used in the event of a poll being directed or demanded.

(g) To be valid, this form of proxy and the power of attorney or other authority (if any) under which it is signed, must reach the Company's registrars, Share Registrars, Craven House, West Street, Farnham, Surrey, GU9 7EN not less than forty-eight hours before the time appointed for the meeting or any adjournment thereof.

(h) Completion of this Form of Proxy will not prevent the holder(s) from attending and voting at the meeting in person should they wish.

(i) **If you intend to attend the meeting, please tick this box.** ❑

Second fold

BUSINESS REPLY SERVICE
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1

Share Registrars Limited
Craven House
West Street
FARNHAM
Surrey
GU9 2BR

First fold

Third fold
and tuck in flap opposite

Officers and Professional Advisers

Directors
Lance O'Neill (Chairman)
Nigel Duxbury (Financial Director)
Sandy Archibald (Technical Director)
Wilson Robb (Exploration Director)

Secretary
Nigel Duxbury, ACA

Registered Office
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London W1S 1QA

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6 Laurence Pountney Hill
London EC4R 0BL

Auditors
Nexia Audit Limited
25 Moorgate
London EC2R 6AY

Solicitors
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