



**Alba Mineral Resources Plc**

**Final results for the year ended 30 November 2006**

**CHAIRMAN'S STATEMENT**

The results for Alba Mineral Resources plc (the "Company", and collectively with its Subsidiary Companies, the "Group") cover the year ended 30 November 2006. They incorporate the results of its subsidiary companies Aurum Mineral Resources Limited ("Aurum"), Mauritania Ventures Limited ("MVL") and Alba Mineral Resources Sweden AB (collectively the "Subsidiary Companies").

**INTRODUCTION**

Aurum, holds, or has applied for, exclusive rights to explore a portfolio of mineral exploration properties. These are primarily nickel and gold 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 has acquired nine exploration licences in Sweden, which form part of a collaboration Agreement with Altius Minerals Corporation (Altius) of Canada whereby Altius subscribed for 1,250,000 shares in the company at 8p per share raising a total of £100,000.

The Company also co-formed MVL to acquire exploration permits in Mauritania and prospect for uranium and Iron Oxide-Copper-Gold (IOCG). Three permits have been granted and ten are pending. Ground-based exploration commenced after the year-end on the three permits currently held.

The Company was admitted to the AIM market of the London Stock Exchange on 4 April 2005 after successfully raising £1,050,000 (before expenses) and subsequently raised a further £504,600 (before expenses) by the placing of 6,307,500 ordinary shares at 8p per share on 22 August 2006.

**REVIEW OF ACTIVITIES**

The Company announced on 27 April 2007 that it was continuing to seek additional sources of funds to enable it to pursue its exploration programmes. The "Review of Activities" set out below assumes that such funds are made available to the Company.

The Company has, where possible, been actively exploring and enhancing its understanding of the Group's nickel-copper-platinum group minerals (PGM) and gold licences that it holds in Scotland and Ireland. The Group's activities have principally focused on its nickel-copper-PGM prospect at Arthrath, near Aberdeen in Scotland where orientation geochemical and geophysical sampling programmes have been undertaken. The verification programme drilling results from this project have been encouraging and 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.

In addition, a detailed electromagnetic survey indicates the presence of a number of moderate and weak electromagnetic conductors, which confirm the Company's interest in the area as a significant regional target. 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.

Four gold and silver licences have been awarded to the Company by the Crown Mineral Agent at Aberfeldy and the Ochil Hills (both Perthshire), Kimelford (Argyllshire) and over the Arthrath project area in Aberdeenshire. Initial research on gold mineralization in the first three areas is promising and fieldwork will

commence during 2007. Fieldwork over the Arthra area will be conducted together with our other ongoing exploration activities.

The Group has also undertaken exploration at the Bohaun (Co. Galway), Lough Gowna (Cos. Longford and Leitrim) 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, mapping, soil sampling and prospecting to further assess this exciting project and the results will be published in due course. Initial planning, permitting and environmental investigations will run in parallel as the prospects develop during 2007. The work programmes at Lough Gowna and North Limerick are ongoing.

In Sweden technical research identified a number of nickel sulphide exploration targets, which show significant merit. As a result of these investigations applications for nine new exploration licences, primarily for nickel-copper-PGM, were made with the Company successfully being awarded eight in late 2006 and one after the year end. These licence areas offer the Company a significant opportunity to expand operations in a new geographical area. Field-based exploration will take place over the next year and we look forward to reporting on progress.

Our activities in Mauritania represent Alba's most significant development over the last year where, following the establishment of a jointly owned company, we have to date acquired three uranium exploration permits totaling approximately 4,500 km<sup>2</sup> of prospective ground. Target generation and ground acquisition was conducted based on known mineral occurrences and favourable geology. An additional three uranium permits are pending in adjacent areas, together with five permits in the south of the country for iron oxide-copper-gold style mineralization and a further two in the north of the country, which cover the same ground as two of the outstanding uranium permits.

## **OUTLOOK**

The Group is now a committed junior explorer and developer with a diversified exploration portfolio focused on the margins of the Atlantic Ocean. The Group's overall corporate and exploration strategy is to develop a series of well-researched and promising exploration properties which will be developed either in the Group's own right or in conjunction with other parties.

The Company, although now focused as a uranium and nickel junior explorer, will continue to evaluate additional cost effective projects and proposals that the Board believes have the potential to add value to the Company.

As part of this new focus the Board believes in developing not only a strong portfolio of primary projects, but also a series of supplementary exploration projects. The rationale behind this approach is to limit the Company's risk on a particular commodity, or the political or climatic restrictions associated with a geographical area.

On 3 January 2007 the Company announced that the exploration efforts on its existing project portfolio would be within the constraints of the financial resources available and that the Company would be seeking to raise additional funds to actively pursue and explore these existing projects.

On 27 April 2007 the Company announced that it is continuing to seek additional funding to pursue these objectives and until this funding is in place the Company will, in the short term, downgrade active fieldwork exploration on the existing licences and permits, whilst maintaining the portfolio of assets. Alba will continue the programme of desktop research, analysis and studies using its existing in-house team.

**Michael Nott, Chairman**

**14 May 2007**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 NOVEMBER 2006**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Turnover from continuing operations</b>	-	-
<b>Cost of sales</b>	-	-
<b>Gross profit</b>	-	-
Administrative expenses	(388,892)	(213,445)
<b>Operating loss</b>	(388,892)	(213,445)
Interest receivable and similar income	15,860	20,269
<b>Loss on ordinary activities before taxation</b>	(373,032)	(193,176)
Tax on loss on ordinary activities	-	-
<b>Loss on ordinary activities after taxation</b>	(373,032)	(193,176)
Minority interests	7,282	-
<b>Retained loss for the year transferred to reserves</b>	(365,750)	(193,176)
<b>Loss per ordinary 1p share</b>		
<b>Basic and diluted</b>	0.59 pence	0.47 pence

## CONSOLIDATED BALANCE SHEET

30 NOVEMBER 2006

	2006	2005
	£	£
<b>Fixed assets</b>		
Intangible fixed assets	750,315	454,077
Tangible fixed assets	4,439	630
	<u>754,754</u>	<u>454,707</u>
<b>Current assets</b>		
Debtors	158,062	63,076
Cash at bank and in hand	507,568	653,764
	<u>665,630</u>	<u>716,840</u>
<b>Creditors: amounts falling due within one year</b>	<u>(280,767)</u>	<u>(187,219)</u>
<b>Net current assets</b>	<u>384,863</u>	<u>529,621</u>
	<u>1,139,617</u>	<u>984,328</u>
<b>Total assets less current liabilities</b>	<u>1,139,617</u>	<u>984,328</u>
<b>Capital and reserves</b>		
Called up share capital	666,201	603,126
Share premium account	790,133	374,887
Profit and loss account	(558,926)	(193,176)
Merger reserve	200,000	200,000
Foreign exchange revaluation reserve	(509)	(509)
<b>Equity shareholders' funds</b>	<u>1,096,899</u>	<u>984,328</u>
Minority interest	<u>42,718</u>	<u>-</u>
	<u>1,139,617</u>	<u>984,328</u>

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2006

	2006	2005
	£	£
<b>Net cash outflow from operating activities</b>	(351,682)	(54,893)
<b>Returns on investments and servicing of finance</b>		
Interest received	15,860	20,269
	<u>15,860</u>	<u>20,269</u>
<b>Taxation</b>		
UK corporation tax	-	-
	<u>-</u>	<u>-</u>
<b>Capital expenditure and financial investment</b>		
Payments for intangible assets	(333,118)	(235,365)
Purchase of tangible fixed assets	(5,577)	(708)
	<u>(338,695)</u>	<u>(236,073)</u>
<b>Acquisitions</b>		
Purchase of subsidiary undertakings	(57,299)	-
Cash/(net overdrafts) acquired with subsidiary undertakings	107,299	(3,552)
	<u>50,000</u>	<u>(3,552)</u>
<b>Financing</b>		
Issue of ordinary share capital net of costs	478,321	928,013
	<u>478,321</u>	<u>928,013</u>
<b>(Decrease)/increase in cash in the period</b>	<u>(146,196)</u>	<u>653,764</u>

## NOTES

### 1. Basis of preparation

The financial information set out above does not constitute the Group's statutory accounts within the meaning of section 240 of the Companies Act 1985. The balance sheet at 30 November 2006 and the profit and loss account and cash flow statement for the year then ended have been extracted from the Group's audited financial statements. The auditors report on those financial statements is unqualified and does not contain statements under s.237(2) or (3) Companies Act 1985. These financial statements will be delivered to the Registrar of Companies and shareholders in due course.

### 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 attributed to ordinary shareholders of £365,750 by the weighted average number of shares of 62,057,963 in issue during the year. 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 is therefore not dilutive under the terms of Financial Reporting Standard 14 "Earnings per Share".

Enquiries:

Michael Nott, Alba Mineral Resources Plc  
Liam Murray, City Financial Associates Limited

020 7495 5326  
020 7090 7800