



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

**Interim results for the six months ended 31 May 2006**

The Board of Alba Mineral Resources plc presents the Company's interim results for the six months ended 31 May 2006.

**Highlights**

- Entered into exploration option and joint venture agreement with Inco Europe Limited in respect of the Company's Arthrath nickel-copper-PGE project in Scotland.
- Positive initial exploration results from rock sampling programme confirm the Bohaun, Ireland licence area as a prospective gold target with high grade potential
- Joint Venture arrangement signed with Boliden Tara Mines Limited to explore for gold at the Company's Lough Gowna licence block in Ireland

Lance O'Neill, Chairman, commented: "The Company's principal objective in the immediate future is to further advance our nickel-copper-PGE prospect in Scotland in conjunction with Inco Europe Ltd. We are aware that potential mineral opportunities exist elsewhere and we will continue to evaluate such projects. The Company has recently completed a further fund raising to finance continued exploration of the Company's existing gold and base-metal projects and allow it to investigate, acquire and advance exploration properties identified elsewhere."

**ENDS**

For further information contact:

<b>Alba Mineral Resources plc</b>	Lance O'Neill, Chairman	Tel: +44 (0)20 7499 8334
	Wilson Robb, Acting Managing Director	Tel: +353 (0)46 905 9959
<b>Parkgreen Communications</b>	Justine Howarth / Victoria Thomas	Tel: +44 (0)20 7493 3713
<b>City Financial Associates</b>	Liam Murray	Tel: +44 (0)20 7090 7800

## **CHAIRMAN'S STATEMENT**

### **Introduction**

The six month period under review has seen significant developments for the Company. These include: the joint venture arrangement with Inco Europe Limited, a wholly owned subsidiary of Inco Limited, one of the world's largest nickel producers, in respect of the Company's Arthrath nickel-copper-PGE project in Scotland and the joint venture agreement with Boliden Tara Mines Limited (Tara) to explore for gold at the Company's Lough Gowna licence block in Ireland, where Alba and Tara each hold a 50% interest.

### **Results for the Period**

The group made a loss for the period, after taxation, of £165,771 after receiving interest of £8,843 and having paid administrative expenses of £177,641. The basic and diluted loss per share was 0.3 pence. The group had cash balances of £350,186 at the period end.

### **Review of Activities**

The Company is developing a diversified exploration portfolio focused on the Appalachian-Caledonide trend, a zone extending from the eastern seaboard of North America to Scandinavia including Scotland and Ireland. As previously announced our principal objective in the immediate future is to further advance our nickel-copper-PGE prospect in Scotland in conjunction with our partners Inco Europe Ltd. However, we are also aware that potential mineral opportunities exist elsewhere and we will continue to evaluate such projects, adding them to our portfolio where appropriate. The funds that have been raised through the placing referred to below will provide working capital for the Company to finance the continued exploration of the Company's existing gold, nickel and base-metal projects and allow us to investigate, acquire and advance exploration properties as identified elsewhere.

### **Post-Period Event**

On 22 August 2006 the Company announced that it had successfully placed 6,307,500 new ordinary shares in the Company with investors at a price of 8p per share to raise approximately £505,000 before expenses. The monies raised will provide additional working capital for the Company and enable it to continue funding current and new exploration projects.

### **Management**

Our search for a suitable candidate to assume the responsibilities of Group Managing Director to oversee the continuing expansion of the Company's exploration portfolio continues. The Company is hoping to announce a permanent appointment in the near future. In the interim, Exploration Director Wilson Robb has been named acting Managing Director.

### **Outlook**

The Company will continue to work closely with its joint venture partners on the Arthrath and Lough Gowna nickel and gold projects, respectively, whilst continuing to evaluate other opportunities elsewhere. 2006 has been an exciting year for the Company so far and I look forward to reporting further developments in due course.

**Lance O'Neill**  
**29 August 2006**  
**Chairman**

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Unaudited 6 mths ended 31 May 2006 £	Unaudited Period ended 31 May 2005 £	Audited Period ended 30 Nov 2005 £
<b>Turnover</b>	-	-	-
<b>Cost of sales</b>	-	-	-
	-----	-----	-----
<b>Gross profit</b>	-	-	-
Administrative expenses	-177,641	-69,297	-213,445
	-----	-----	-----
<b>Operating loss</b>	-177,641	-69,297	-213,445
Interest receivable and investment income	8,843	6,047	20,269
	-----	-----	-----
<b>Loss on ordinary activities before taxation</b>	-168,798	-63,250	-193,176
Tax on ordinary activities (note 2)	0	0	0
	-----	-----	-----
<b>Loss on ordinary activities after taxation</b>	-168,798	-63,250	-193,176
<b>Minority interest</b>	3,027	-	-
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<b>Loss for the period</b>	-165,771	-63,250	-193,176
	=====	=====	=====
Loss per ordinary 1p share (note 3)			
- basic	0.3 pence	0.3 pence	0.5 pence
- diluted	0.3 pence	0.3 pence	0.5 pence

## CONSOLIDATED BALANCE SHEET

	Unaudited 31 May 2006 £	Unaudited 31 May 2005 £	Audited 30 Nov 2005 £
<b>Fixed assets</b>			
Intangible assets	480,383	86,469	294,263
Tangible fixed assets	5,476	-	630
Goodwill	141,373	178,254	159,814
	-----	-----	-----
	627,232	264,723	454,707
	-----	-----	-----
<b>Current assets</b>			
Debtors	105,679	50,690	63,076
Cash at bank and in hand	350,186	775,807	653,764
	-----	-----	-----
	455,865	826,497	716,840
	-----	-----	-----
<b>Creditors: amounts falling due within one year</b>	-217,567	-77,180	-187,219
	-----	-----	-----
<b>Net current assets</b>	238,298	749,317	529,621
	-----	-----	-----
	-----	-----	-----
<b>Total assets less current liabilities</b>	865,530	1,014,040	984,328
	=====	=====	=====
<b>Capital and reserves</b>			
Called up share capital	603,126	590,626	603,126
Share premium account	374,887	287,387	374,887
Merger reserve	200,000	200,000	200,000
Profit and loss account	-358,947	-63,250	-193,176
Foreign currency translation reserve	-509	-723	-509
	-----	-----	-----
Equity shareholders funds	818,557	1,014,040	984,328
Minority interest	46,973	-	-
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	865,530	1,014,040	984,328
	=====	=====	=====

## CONSOLIDATED CASH FLOW STATEMENT

	Unaudited 6 mths ended 31 May 2006 £	Unaudited Period ended 31 May 2005 £	Audited Period ended 30 Nov 2005 £
<b>Net cash outflow from operating activities</b>	-170,724	-36,762	-54,893
<b>Returns on investments</b>			
Interest received	8,843	6,047	20,269
<b>Capital expenditure</b>			
Purchase of intangible assets	-186,120	-17,939	-235,365
Purchase of tangible assets	-5,577	-	-708
<b>Acquisitions</b>			
Net cash balances acquired with subsidiary	-	-3,552	-3,552
<b>Net cash outflow before financing</b>	----- -353,578 -----	----- -52,206 -----	----- -274,249 -----
<b>Financing</b>			
Issue of shares net of costs	-	828,013	928,013
Issue of shares of subsidiary undertaking to minority interests	50,000	-	-
<b>(Decrease)/increase in cash in the period</b>	----- -303,578 =====	----- 775,807 =====	----- 653,764 =====
<b>Reconciliation of operating loss to net cash outflow from operating activities</b>			
Operating loss	-177,641	-69,297	-213,445
Depreciation and amortisation	19,172	6,147	24,665
Foreign currency translation adjustments	-	-102	-237
Intangible assets write off	-	-	9,981
Increase in trade debtors	-42,603	-50,690	-63,076
Increase in trade creditors	30,348	77,180	187,219
<b>Net cash outflow from operating activities</b>	----- -170,724 =====	----- -36,762 =====	----- -54,893 =====

## NOTES

### 1. Basis of preparation

The interim report for the six month period ended 31 May 2006 is unaudited and does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. It has been prepared under the historical cost convention and on a basis consistent with the accounting policies for the period ended 30 November 2005.

The financial information relating to the period ended 30 November 2005 has been extracted from the statutory accounts for that period, a copy of which has been delivered to the Registrar of Companies. The auditors report on those financial statements was unqualified and did not contain a statement under section 237 (2) of the Companies Act 1985.

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

### 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 £165,771 (May 2005: £63,250; November 2005: £193,176) by the weighted average number of shares of 60,312,600 (May 2005: 23,549,598; November 2005: 40,700,500) 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 Shares".