



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

Placing and trading update

Alba Mineral Resources plc (AIM: ALBA) announces that it has today agreed to place 6,307,500 new ordinary shares in the Company with investors at a price of 8p per share to raise £504,600 before expenses for the Company. The monies raised will provide additional working capital for the Company and enable it to continue funding current and new exploration projects.

Trading update

The Company announced its results for the year ended 30 November 2005 on 12 April 2006. 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. The Company'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 Company's own right or in conjunction with other parties.

Whilst the 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, we are also aware that potential mineral opportunities exist elsewhere. We will continue to evaluate individual projects, adding them to our portfolio where appropriate, whilst at the same time looking to advance the development of our existing projects.

The funds that have been raised through this placing will provide working capital for the Company and will also finance the continued exploration of the Company's existing gold, nickel and base-metal projects and to investigate, acquire and advance exploration properties as identified elsewhere. As at 30 June 2006 the Company's cash reserves totalled £307,000, with other net current liabilities of £116,000. Funds of approximately £145,000 have also been set aside for specific projects, including collaborative nickel sulphide exploration in Scandinavia with Altius Minerals Corporation of Canada.

The funds raised through the placing will further enable the Company to continue with its broader exploration programme.

The new ordinary shares will rank pari passu with the existing ordinary shares. The Company today made application for the new ordinary shares to be admitted to trading on AIM. Dealings in the new ordinary shares are expected to commence on 25 August 2006.

Following the issue of equity referred to above the enlarged share capital of the Company will be 66,620,100 shares of 1 pence.

