

19 September 2013

Alba Mineral Resources plc

(“Alba” or “the Company”)

Issue of equity and warrants

- **£172,700 debt for equity swap at 0.3p per share**
- **Waiver of directors’ fees totaling £513,034**
- **Warrant issue to directors**
- **Release of provisions totaling £79,654**

Alba Mineral Resources plc (AIM:ALBA), the UK based exploration company, is pleased to announce a balance sheet restructuring comprising the capitalisation of outstanding loans and debts of £172,700, the waiver of directors’ fees of £513,034 and the release of provisions totalling £79,654. The capitalisation will be satisfied by the issue of 57,566,636 Ordinary Shares at 0.3p per share (“the Equity Issue”). In addition, the Company has granted warrants to directors to subscribe for a total of 15,000,000 Ordinary Shares, exercisable at a price of 0.3p per share, being the closing bid price on the business day prior to the grant (“the Warrant Issue”).

Equity Issue

The table below shows details of the Equity Issue.

<i>Name of Lender/Director</i>	<i>Loan/Debt capitalised</i>	<i>No. of new Ordinary Shares</i>	<i>No. of Ordinary Shares held following Admission</i>	<i>% of issued share capital held following Admission</i>
FOSSE Investments Ltd	£8,606	2,868,838	2,868,838	1.4%
EP&F Capital PLC	£59,805	19,934,985	27,934,985	13.3%
Northland Capital Partners Ltd	£13,800	4,600,000	4,600,000	2.2%
Michael Nott	£31,322	10,440,606	18,160,606	8.7%
*RCTW Services Ltd	£3,515	1,171,647	2,171,647	1.1%
Regency Mines PLC	£53,793	17,930,959	56,215,006	26.9%
Sandy Archibald	£1,859	619,601	5,138,648	2.5%
Total	£172,700	57,566,636		

** Nigel Duxbury is a shareholder and director of RCTW Services Limited*

Furthermore, the directors, Michael Nott, Sandy Archibald and Nigel Duxbury have agreed to waive fees due to them totalling £513,034.

The 57,566,636 new Ordinary Shares to be issued will represent approximately 27 per cent. of the Company's enlarged issued share capital immediately following Admission.

Application will be made for the 57,566,636 new Ordinary Shares to be admitted to trading on AIM ("Admission"). It is expected that Admission will be effective and that dealings in the new Ordinary Shares will commence on 18 September 2013.

The new Ordinary Shares will rank *pari passu* with the existing Ordinary Shares.

The effect of the balance sheet restructuring is to increase total equity by £765,388. On this basis, proforma consolidated unaudited net assets as at 31 May 2013 amount to £341,997. Proforma unaudited net current liabilities at the same date amount to £322,415, of which £236,823 represents the funding contributions provided by FOSSE Investments Limited to Mauritania Ventures Limited, the Company's JV in Mauritania.

Warrant Issue

The Company has also granted warrants to Michael Charles Nott, Sandy Archibald and Nigel Duxbury to each subscribe for 5,000,000 Ordinary Shares at a price of 0.3p per share, representing in aggregate approximately 7 per cent. of the enlarged issued share capital of the Company following Admission. Subject to its terms, the warrants can be exercised at any time from the first anniversary of the date of grant, 18 September 2013, until 18 September 2020 ("the Warrant Issue").

Related Party Transactions

The Warrant Issue and the participations of EP&F Capital PLC, Regency Mines PLC, RCTW Services Ltd, Michael Nott, Sandy Archibald and Nigel Duxbury in the Equity Issue each constitute related party transactions for the purposes of AIM Rule 13 (the "Related Party Transactions"). There are no independent directors for the purposes of providing the fair and reasonable statement required under AIM Rule 13 in respect of the Related Party Transactions. Northland Capital Partners Limited, the Company's Nominated Adviser, considers that the terms of the Related Party Transactions are fair and reasonable insofar as the Company's shareholders are concerned.

Total Voting Rights

Following Admission, the total number of shares in issue will be 209,337,052 Ordinary Shares. The Company does not hold any Ordinary Shares in treasury. Therefore, the total number of Ordinary Shares with voting rights in the Company is 209,337,052. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

Michael Nott, Chairman commented:

“We are extremely pleased that we have been able to reach agreement with our creditors in this way, which puts the company on a sounder financial footing whilst the search and evaluation of other projects continues. The Company will continue to look to raise additional funds in the near future to enable it to continue to advance the development of its existing and other potential projects and until such funds are secured we will continue to manage cash tightly.”

Enquiries:

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Notes to Editors:

Alba holds interests in Mauritania (uranium) and Ireland (base-metals: JV with Teck Resources). The projects are at different stages of development and range from early exploration targets to more advanced drill-ready projects. The Ireland property has been drilled and the results announced.

Alba continues to review and discuss other opportunities for development of the Company including structured JV's, projects in other countries that have been brought to us through contacts and other possible reverse opportunities that may have value enhancing potential. A number of projects are being evaluated.