



15th May 2006

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

Alba options Arthrath nickel-copper-PGE project to Inco

Alba Mineral Resources plc (AIM: ALBA), the UK based exploration company, is pleased to announce it has, through its wholly owned subsidiary Aurum Mineral Resources Limited, entered into an exploration option and joint venture agreement with Inco Europe Limited ("Inco"), 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.

Highlights

- **Inco has the right and option to earn a 60% interest in the Arthrath project by funding €2,500,000 of exploration expenditures over a four year period**
- **Work undertaken at Arthrath to date by Alba has confirmed the presence of extensive disseminated magmatic nickel-copper sulphide mineralization with features similar to other feeder intrusion-related nickel systems worldwide.**
- **Programmes of deep penetrating, ground electro-magnetic geophysics, specialized partial leach shallow soil sampling and diamond drilling programmes are planned during 2006**

Lance O'Neill, Chairman, Alba commented; "We are very pleased to be able to announce this deal that we believe represents an extremely important development for Alba. We are delighted to have a company of Inco's reputation working with us on our Arthrath property, which we believe holds significant commercial potential for the Company. The agreement gives Alba exposure to Inco's extensive nickel exploration expertise, which will be invaluable in developing the next phases of our exploration programme."

Option Agreement

Alba has entered into an exploration option and joint venture agreement (JV) with Inco in respect of the Company's Arthrath nickel-copper-PGE project, in which the Company holds a 100% interest. The property is located in Aberdeenshire, Scotland and work to date has confirmed the presence of extensive disseminated magmatic nickel-copper sulphide mineralization with features similar to other feeder intrusion-related nickel systems worldwide.

Under the terms of the agreement Inco has the right and option to earn a 60% interest in the project by funding €2,500,000 of exploration expenditures over a maximum four year period. Inco can earn a further 10% interest by conducting a feasibility study at its own expense. If the Inco option is exercised either party can maintain its interest in the JV by contributing according to its participating interest in the JV or can elect to dilute its interest to 10% whereupon the interest will convert to a 2% net smelter return royalty.

Alba and Inco plan to conduct programmes of deep-penetrating, large-loop ground electro-magnetic geophysical surveying and specialized partial leach shallow soil sampling techniques. Drilling of identified targets will be undertaken where warranted.

ENDS

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Notes to Editors

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.

Background

Work at the Arthrath property has targeted the strike length of a 10 kilometre long east-west trending mafic intrusion, which is up to 600 metres wide. Between 1968 and 1973 previous operators drilled 36 drill holes and encountered nickel- and copper-bearing sulphide mineralization over a 4.5 kilometre strike length. This known mineralized area is geographically central to the area being explored by Alba. Previous drilling was widely spaced and did not, in Alba's opinion, adequately test the potential for high-grade massive sulphide bodies. Importantly, there was no systematic analysis for cobalt or PGEs of previous operator drill core.

Correlations between the Company's verification holes and historical drill holes AD17 and AD20 have demonstrated a potential for up to 350 metres of down-dip extension of the mineralization from surface, with further depth and lateral potential currently untested. 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 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. 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.