Amitsoq Project Update

High grade, large flake size confirmed in initial petrographic and geochemical results from Amitsoq Graphite Project in southern Greenland

Further to the company announcement on 6 October 2015, Alba Mineral Resources plc (AIM:ALBA) is pleased to report that a field visit has been completed at the Amitsoq graphite project (the "Project") near Nanortalik in southern Greenland in which Alba has an option to earn up to a 70 per cent interest. Samples taken from historic workings at the Amitsoq mine have been subjected to graphitic carbon analysis and a petrographic determination of flake size by the British Geological Survey ("BGS") at their laboratory in Keyworth, near Nottingham.

HIGHLIGHTS

- Graphitic carbon contents vary from 20.5% to 35.4%, with an overall mean graphitic carbon content of 28.7%, significantly higher than the previously reported historic average grade of 20% and higher than most reported advanced graphite projects globally.[1]
- The graphite exists in various morphologies, ranging from fine-grained specular forms to large discrete crystals, to agglomerations which span areas of up to 15 mm in size.
- Measurements of the discrete graphite flakes suggests that the mean flake-size varies from 300-500 µm ("Jumbo") to 180-300 µm ("Large"), however the single most common flake size is in fact 'Super-Jumbo' (>500 µm). The larger flake sizes attract a premium in the market.

Historic Exploration and Production

Greenland has a long history of graphite mining. The Amitsoq graphite mine was an open-cut operation between 1914 and 1924 and produced circa 5,500 tonnes at an average grade of 20 per cent graphite. The graphite was sent to Copenhagen for processing. Other than a local government funded mineral inventory and potential study in 1986, conducted by Danish company A/S Nielson, no other graphite exploration or development has taken place in the licence area since production ceased. Metallurgical testwork on behalf of A/S Nielson reported some flakes reaching a maximum of 15 mm ("Super-Jumbo" flake size), with the average flake size being 0.2-0.3 mm (200-300 µm, or "Jumbo" flake size). Adits into the hillside are also present.

Present Results

A field visit was undertaken to the historic Amitsoq mine site. The objectives were: to determine the access to the historic mine site via marine and aerial means; to ascertain the suitability of siting drill rigs in the area; to safely access any open workings; and to collect representative samples of one of the worked graphite horizons to determine carbon content and flake size.
The Company is pleased to report that access to the site was straightforward and was achieved by chartering a helicopter from the Narsaq heliport, located 85 km to the northwest. Several landing sites were identified, but access by sea from the port of Nanortalik, 16 km to the southwest, will be the preferred method of access in future. During the helicopter flypast, a 500 m long flat-lying area above the dipping graphite horizons was observed that is considered ideal for the location of drilling pads if resource definition drilling takes place at the site in future.

Access to the underground workings was by structurally-robust unsupported adits that had been driven "horizontally" into the hillside along the graphite lens. The lens varied between 1 to 2 m in thickness, striking northeast, and dipping to the northwest at 35°. Historical records of the workings state the lens attained a maximum width of 15.2 m, but this was not confirmed during the field visit. A total of ten (10) grab samples (G15101-G15110) were collected during the underground examination: 4 samples across the vein near the entrance; 3 samples across the vein 20 m down the adit; and 3 samples further down the adit to the deepest accessible part of the mine (approximately 40 m from entrance). One grab sample (G15111) from the surface dump was also collected to determine the effects of over 100 years of surficial weathering on the graphite.

**Graphitic Carbon Assay**

All eleven samples were independently analysed by the BGS at their laboratory in Keyworth, near Nottingham. A 50 g subsample was crushed to <500 μm, and a 1 g aliquot was used to determine carbon content by using a deferential weight loss method (heating the sample to 105°C to drive off water, and a subsequent heating to 1000°C to oxidise the graphite).

The samples present a range of graphitic carbon contents from 20.5% (G15105) to 35.4% (G15101) with an overall mean graphitic carbon content of 28.7% for the eleven samples. Additional metallurgical test work will need to be performed to determine the total recoverable graphitic carbon. These results should be considered to be accurate to +/- 2% as a result of possible loss from ignition of other volatile compounds, such as sulphur and water.

The average grade of 28.7% from these samples at Amitsoq compares favourably with the average grades of advanced graphite projects globally. Of 36 projects analysed, only two have grades of 20% or more1. While these results at Amitsoq are taken from grab samples, the grade, coupled with the confirmation of the prevalence of Jumbo and Super-Jumbo flake size, provides great encouragement for future work.

**Graphitic Flake-Size Analysis**

The flake size and petrography of four thin section samples was performed at the BGS utilising polarizing microscope equipment. Petrographic analysis indicated the samples were all recrystallized graphitic gneiss/mica-schist. The graphite exists in various morphologies ranging from fine-grained specular forms to dust and are intergrown with silicate minerals to coarser-grained, discrete, elongate laths that often lie parallel to the rock's fabric to dense mesh- or web-like agglomerations which span areas of up to 15 mm in size.

The mean flake-size of the discrete graphite varies from 300-500 μm ('Jumbo') (G15101, G15104 and G15106) to 180-300 μm ('Large') (G15110). This is in reasonable agreement with a historic study by A/S Nelson, which reported a slightly smaller average flake size of 0.2-0.3 mm (200 - 300 μm). However the most common flake size in three of the four samples tested is in fact 'Super-Jumbo' (>500 μm), comprising 16 to 39 per cent of the total graphite flake size across the four thin sections sampled. The market places a premium on larger graphite flake sizes.
### Proposed Future Work

Several of the samples will now be dispatched to an independent assay laboratory to determine the presence of deleterious elements and to quantify the presence of sulphides.

A remote sensing study on the Project is expected to begin shortly, funded by Alba, with the main aim of identifying surficial occurrences of graphite on the 146 km² land mass of the licence area. A second aim of this study is to identify ultramafic intrusions which were investigated on Amitsoq in the early 1970s and found to contain up to 2.4 g/t combined gold, platinum, and palladium.

Quotations are currently being reviewed for a high-resolution modern airborne electromagnetic (EM) and magnetic surveys to identify graphitic horizons and sulphide bodies associated with ultramafic intrusions. It is anticipated that this work will commence in the summer of 2016. Follow-up work, if warranted, will consist of diamond drilling to provide a resource estimation.

Additional maps and photographs of the Project area are available on the Alba website at www.albamineralresources.com.

**Mike Nott, Alba’s CEO, commented:**

"The results from this preliminary study are highly encouraging. We have demonstrated that Amitsoq contains large flake size graphite and appears to be of a high grade. Both of these factors provide great encouragement for future work and development at Amitsoq.

"The priority for Alba is to now determine the graphite prospectivity on other parts of the licence by using modern remote sensing and airborne geophysical techniques. The results of these surveys can then be used to prove continuity and to plan an exploration drilling programme to estimate the thickness and to confirm continuity of the graphitic horizons known to exist in the Project area.

"The additional prospect of receiving Platinum Group Element (PGE) credits within the Licence will be an exciting area for Alba to investigate."

### Competent Person’s Declaration

The information in this announcement that relates to the geology, exploration results and work programme is based on information compiled by and reviewed by EurGeol Dr Sandy M. Archibald, PGeo, Aurum Exploration Services, who is a Professional Geologist and Member of the Institute of Geologists of Ireland, and a Fellow of the Society of Economic Geologists. He is a geologist with thirteen years of experience in the exploration industry, and ten years post-graduate studies.

Sandy M. Archibald is a Technical Advisor to Alba Mineral Resources plc and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a Competent Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Sandy M. Archibald consents to the inclusion in the
announced the matters based on the information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

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About Alba

Alba holds interests in the following projects:

- UK onshore oil & gas
  - A 15 per cent interest in Horse Hill Developments Limited, the owner of a 65 per cent participating interest and operatorship of the Horse Hill oil and gas project (Licence PEDL 137 and PEDL 246) ("Horse Hill"), located on the northern side of the Weald Basin near Gatwick Airport. Independent reports prepared by Nutech and Schlumberger have assessed the petrophysics of the Horse Hill-1 well ("HH-1") (refer to our announcement on 26 August 2016 for details) and the report findings will be integrated into the planned flow test of HH-1 expected in early 2016, subject to final approvals from the Health and Safety Executive ("HSE") and Oil and Gas Authority ("OGA"). Environmental Agency approval was granted on 30 November 2015.
  - An option to farm into 5 per cent of Production Licence 235, which comprises the producing onshore Brockham Oil Field.

- Amitsoq (graphite) - an option to earn up to a 70 per cent interest in a graphite project in Southern Greenland. The licence area comprises the historic Amitsoq graphite mine and is prospective not only for graphite but also for copper, gold, nickel and platinum group elements. During the option period, Alba intends to undertake further historical data acquisition and to carry out field work (ground truthing, mapping and sampling). A remote sensing study is expected to be commissioned to complete this first phase of work (refer to our announcement dated 6 October 2015 for further details).

- Mauritania (uranium) - a joint venture with FOSSE Investments Limited comprising early phase exploration targets.

- Ireland (base metals) - 10 km away from and part of the same target unit as the Pallas Green property.

Alba continues actively to review and discuss other project opportunities which have value-enhancing potential for the Company whether by acquisition, farm in or joint venture in a range of jurisdictions around the world.