Company No. 5285814

Alba Mineral Resources plc

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2017

Alba Mineral Resources plc

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Alba Mineral Resources plc

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Alba Mineral Resources plc

CHAIRMAN'S STATEMENT

The Board of Alba Mineral Resources plc (the "Company" or "Alba", and collectively with its Subsidiary Companies, the "Group") is pleased to report the results for the year ended 30 November 2017.

INTRODUCTION

This has been an exceedingly busy year for Alba. We have consolidated our interests in the UK onshore oil and gas sector by increasing our interests at the Horse Hill exploration project and at the same time completing the acquisition of a 5 per cent interest in the Brockham production licence. Significant strides forward have been taken at both those projects, not only as regards work on the ground but also in terms of the pursuit of key regulatory approvals as we and our partners seek to push those projects forward to production.

On the mining side, which of course is where Alba started out and which remains a key focus of our business, during the year we carried out a two-phase exploration programme at our high-grade Amitsoq graphite project in southern Greenland, and were able to report a significant new discovery. It is one of the most exciting and rewarding aspects of exploration work when you unearth a new find through exploration work. Sometimes that can be as a result of painstaking desktop reviews of historical and in-house technical data, but sometimes, as here, it can also be the result of having good people in your exploration team who keep an open mind when out in the field and have the skill to spot the signs of a potential new zone of mineralisation. That is how we made the Kalaaq graphite discovery.

Aside from Amitsoq, and given our positive experience in the Greenland mining sector, during the year we undertook a widespread review of mining opportunities in Greenland and this led us to apply for – and to be granted – three new projects, all in the north-west of Greenland. Most immediately exciting, I would say, is our 100 per cent owned Thule Black Sands project ("TBS"). This encompasses approximately 30 kilometres of coastline which is now known to host high-grade ilmenite mineralisation. I say "now known" because the TBS exploration licence was granted to us only last August, and just a month later, in September, having received of the support of the Mines Department in Greenland (the MLSA) to expedite our field application, we were out in the field working so that we could collect as many samples as possible to send to independent laboratories for analysis. The results of this initial testwork have very much confirmed that we were right to stake this ground in north-west Greenland.

Our strategy at Alba, where possible, is to target assets that have a production history, such as our high- grade Amitsoq graphite project, and also the Clogau gold project, the 49 per cent stake in which we acquired after the year end. Clogau has a long and illustrious production history; indeed most of the United Kingdom's gold production has come from there. On the oil and gas side, when acquiring from Angus Energy a five per cent interest in the Horse Hill exploration licence back in 2015, we were attracted by the nearby Brockham production licence which Angus were majority owners of, and were able to negotiate, as part of the transaction with Angus, an option to farm in for 5 per cent of Brockham. I am very pleased to say that Brockham is now back in production – modestly to start with but we hope, in due course, in much greater volumes, and so at Alba we are now able to say that we are a participant in a producing natural resources project.

Now we are working to bring some of our other key assets through the exploration and development phase and into the mining and production phases in the years ahead. This is what we were formed to do as a company, and it remains a key objective for Alba as we seek to create real value for our shareholders.

I set out below my thoughts on the outlook for Alba in the year ahead, followed by a detailed review of activities.

OUTLOOK

Our objectives at Alba over the past few years have been to strengthen our asset portfolio by identifying assets with real potential to be brought into commercial production. This began within a few months of my appointment in 2014, when we made our first foray into the UK oil and gas sector with the acquisition of an initial five per cent interest in the Horse Hill consortium. Some four years later, having amassed an 18.1 per cent stake in the Horse Hill consortium, we are now the second largest shareholder in that consortium, as well owning as a five per cent interest in the Brockham Oil Field which has post financial year end brought the first production revenues since Alba was formed as a company. And on the mining side, we have strengthened our portfolio greatly, in particular as we now own 90 per cent of the high grade Amitsoq graphite project, and 100 per cent of the high grade Thule Black Sands ilmenite project, both in Greenland.

Having now developed what we consider to be a strong asset base, with a diversified mix of commodities in stable jurisdictions, we enter a year at Alba when we expect to see key development milestones reached at some of our key projects. At Horse Hill, once the final regulatory approvals are forthcoming, the Operator will commence long-term flow testing of the HH-1 well, which we hope will lead to a declaration of commerciality and, therefore, to an application for a production licence. At Brockham, as I write we await final approvals for Angus Energy, the operator at Brockham, to commence production at the key BR-X4Z well. In Greenland, we enter our first full field season at Thule Black Sands with the objective of building on the successful field and testwork programme we have undertaken to date.

In terms of market sentiment for the key commodities in which we are involved, the oil price has more than doubled from its 2015 lows and graphite is a key component of lithium-ion batteries demand for which is projected to increase with the forecast growth of the Electric Vehicle sector in the coming years. Ilmenite, meanwhile, is the primary source of titanium dioxide which is a multi-billion dollar market the growth in which is expected to be fuelled by demand from India, China and the Asia Pacific region.

For all these reasons, Alba is well placed for growth.

REVIEW OF ACTIVITIES

Horse Hill (Oil and Gas, United Kingdom)

The Horse Hill-1 well ("HH-1") is located within onshore exploration licence PEDL 137, on the northern side of the Weald Basin near Gatwick Airport. Alba owns a 18.1% direct interest in Horse Hill Developments Limited ("HHDL"). HHDL is a special purpose company that owns a 65% participating interest and operatorship of Licence PEDL137 and the adjacent Licence PEDL246 in the UK Weald Basin. The remaining 35% participating interests in the PEDL137 and PEDL246 licences are held by a subsidiary of US-based Tellurian Inc. (formerly known as Magellan Petroleum Corporation). Alba's effective interest in the licences is therefore 11.765%.

The key development at Horse Hill during the reporting year was the decision by Surrey County Council's planning committee in October 2017 to grant planning permission to enable HHDL to carry out extended well tests ("EWTs") at HH-1 as well as to drill and test both a sidetrack from the existing HH-1 well and a new well HH-2. With regulatory approval having also been received from the Environment Agency, the objective, once approval is granted by the Oil and Gas Authority ("OGA"), is to carry out a 150 day EWT programme comprising 30-40 days of testing at the Portland sandstone reservoir and 30-40 days of further testing at each of Kimmeridge limestone reservoirs KL-3 and KL-4.

As commercially viable initial flow rates were established by the 2016 flow tests (equating to 1,688 barrels of oil per day ("bopd") in total, the 2018 testing programme's goal is to confirm that HH-1's reservoirs are each connected to a commercially viable oil volume, thereby enabling a declaration of commerciality to be made. Testing will commence with the Portland reservoir which, given the 323 bopd stable pumped rate achieved in 2016 and the 32 million barrels most likely OIP calculated by Xodus in 2017, is considered a strong candidate for commercial viability.

At the end of the reporting year, we announced that we had completed the acquisition of a 3.1 per cent shareholding interest in HHDL held by Regency Mines Plc. This has cemented Alba's position as the second largest shareholder in HHDL with 18.1 per cent.

In prior years, the directors considered that it was not possible to determine a reliable value for the Group's investment in HHDL as the range of reasonable fair value measurements was significant. However, by reference to recent HHDL share transactions where there has been no substantial variation in the range of values applied to those transactions, the directors judge that it is possible to estimate a reliable fair value for the investment (see note

9). This change in estimation technique has resulted in a gain on investments in the year of £700,000. Estimates are inherently subjective, as is the determination as to whether a valuation can be reliably made, and hence whether the investment should be held at cost or at valuation. The position will be kept under review.

Brockham (Oil and Gas, United Kingdom)

Alba holds a 5% interest in Production Licence 235 ("PL 235"), which comprises the onshore Brockham Oil Field, which is located just to the north-west of the Horse Hill licences in the Weald Basin in Surrey, southern England.

The key development at Brockham during the reporting year was the completion of drilling at the BR-X4Z well, following which the Operator, Angus Energy, announced that, following extensive analysis of the results from the well, its intention was to bring the Kimmeridge into production at the existing Brockham production facility as soon as the necessary OGA approval was in place. The BR-X4Z well, drilled to a total depth of 1,391m, was planned to evaluate the Portland, Corallian and Kimmeridge formations at Brockham, including an evaluation of the Kimmeridge reservoir that had been demonstrated by the Horse Hill discovery 8 km to the south.

The Operator confirmed that the preliminary results from the BR-X4Z well confirm very similar thickness of reservoir and properties to those reported at Horse Hill, with the gross thickness of the Kimmeridge formation in BR-X4Z being some 385m. The information obtained has confirmed not only evidence of natural fractures in the two main limestones intervals previously tested at Horse Hill, but also confirmed abundant natural fractures in sections of interbedded shales and limestones between and below the two main limestones. Around 200m of the reservoir has this potential.

As reported below, in March 2018 production was resumed from well BR-X2Y and we await the receipt of planning permission for the continued surface activities of the production plant which is required to enable production to commence from well BR-X4Z.

Greenland Mining Projects (Amitsoq, Thule Black Sands, Inglefield Land, Melville Bay)

The principal activities in Greenland during the year have been focused on further exploration work at our high grade Amitsoq graphite project in southern Greenland, as well as undertaking a maiden field programme at our new Thule Black Sands project in north-west Greenland.

At Amitsoq, we were very pleased to have discovered a new graphite zone during the summer 2017 field season. This new discovery, which we have called Kalaaq, consists of multiple thick graphite layers covering a distance of at least 460 metres. The structural mapping our technical team carried out in the field last summer has been used to help predict the thickness and distribution of graphite at depth, which has enabled us to refine the location of proposed drilling sites. The logical next steps at Amitsoq will include carrying out a maiden drilling campaign to confirm structure and thereafter to seek to define a maiden JORC resource.

During the reporting year, Alba was awarded new exploration licences at Thule Black Sands (ilmenite), Inglefield Land (multi-commodity) and Melville Bay (iron ore). All the licences are situated in north-west Greenland, meaning the Company can benefit from logistical economies in its exploration work in that part of Greenland. Our focus this coming field season in north-west Greenland will be on pushing forward with our prospective Thule Black Sands project, while at the same time undertaking a maiden field campaign at Inglefield Land, targeting copper, cobalt and gold, among other minerals and metals.

At Thule Black Sands, a maiden exploration programme was completed towards the end of the reporting year. This work confirmed the presence of active beach environments with heavy mineral sands being actively deposited, along with raised beach terraces containing heavy mineral sand. Following laboratory testwork, it was confirmed that the samples taken from the project showed a weighted average Total Heavy Mineral ("THM") content of 46.7%. Seven composite samples which were generated of the Heavy Mineral Concentrate from the project showed an in-situ ilmenite content averaging 10.0% and ranging from 5.7% to 14.9%. Ilmenite-bearing sands were found to occur over a combined sampled strike length of approximately 8.5 km. Mapping and aerial photography of the project coastline showed the potential for ilmenite-bearing sands over the full length of the project coastline, being approximately 22 km in length.

Other mining projects (Ireland, Mauritania)

The exploration licence in the Limerick Basin is highly prospective for zinc, lead and silver and is only 10 km away from and part of the same target unit as the Pallas Green zinc discovery. During the reporting year, we reported the results of a microgravity study and portable XRF shallow soil sampling programme at our Limerick project. The assay results confirmed four main areas of anomalism. The most pronounced anomalism for copper-silver-arsenic (Cu-Ag-As) is similar to that found at former Gortdrum copper-silver (Cu-Ag) mine 25 km due east. Gortdrum was mined for copper-silver-mercury (Cu-Ag-Hg) between 1967 and 1975, producing 3.8 million tonnes containing 1.19% Cu and 25.1 g/t Ag.

In relation to Mauritania, prior to the reporting year Alba submitted an application to the Mauritanian authorities to take out a new uranium exploration licence over a reduced area within the original licence area. This new application area includes the centre of the previously discovered and announced high-tenor uranium anomalies. The application is currently being processed by the Mauritanian authorities. If a new licence is issued, Alba and its joint venture partner will then consider their options regarding funding the next stage of exploration. The continued development of the Mauritania exploration activities is dependent on the grant of a new licence. Because of the continuing uncertainty regarding precisely when the new licence will be granted and, given the length of time that has elapsed to date, the Directors have decided that it is prudent to impair the Company's investment in the Mauritania project. This gives rise to a non-cash charge in the year of £569,218 (2016 - £nil) bringing the carrying value of the assets associated with the Mauritania uranium project to nil.

Corporate

Our corporate activities in the year have been primarily focused on securing the Company's interests in its projects, notably moving to a 90 per cent holding at Amitsoq and exercising the Company's option to earn 5 per cent of the Brockham Oil Field. In addition, the Company undertook a single capital raising round during the reporting year, raising just over £1 million.

The auditor's report for the year ended 30 November 2017 includes a paragraph relating to a material uncertainty as to whether further funding can be obtained to enable the Group to continue as a going concern and to continue its exploration activities. However we have a reasonable expectation that the Group will continue to be able to meet its commitments for the foreseeable future, in particular by raising funds when required from the equity capital markets.

The Company announced at the Annual General Meeting on 30 May 2017 that Michael Nott was to step down as CEO effective 1 June 2017. Mike has remained on the Board as a non-executive director and continues to give Alba the benefit of his considerable experience and wise counsel. The Company also strengthened its team with the appointment in October 2017 of senior geologist Howard Baker as Alba's Technical Director.

EVENTS AFTER THE REPORTING PERIOD

Acquisition of Stake in Clogau Gold Project

On 4 December 2017 Alba announced that it has acquired a 49 per cent interest in Gold Mines of Wales Limited ("GMOW"), the ultimate owner of the Clogau Gold Project situated within the Dolgellau Gold Belt in Wales, United Kingdom (the "Clogau Project"). The Clogau Project comprises the Clogau Gold Mine and includes a large number of highly prospective gold targets and former gold workings within a total option area of 106.94 km².

The Dolgellau Gold Belt has produced about 131,000 oz of gold, by far the most of any region within the United Kingdom. Most of this gold (81,000 oz) has been exploited from the historic Clogau-St David's mine that lies within the Clogau Project area. Alba's review of the Clogau Project concludes that there is high potential to find unworked veins containing gold mineralisation of similar grade to that known in historic mines in the area. The focus will be on bringing the Clogau Gold Mine back into production and also making a push into the regional exploration of the wider Project area.

Very little contemporary gold-focused exploration has been undertaken in the region. Based on the outcome of its review, Alba has concluded that there is a high potential within the Clogau Project area to find unworked veins containing gold mineralisation of similar style and grade to that known in historic mines in the area. This includes near-mine exploration targets and new regional targets.

Significant work initiated and/or completed by Alba at Clogau since acquisition includes a 3D geological model being constructed for the entire licence area and existing mine workings, detailed underground surveying being completed by means of 3D scanning, a preliminary mine plan being generated and primary targets for regional gold exploration being refined for the forthcoming field programme.

Horse Hill (Oil and Gas, United Kingdom)

In March 2018 Alba announced that it had been informed by HHDL, the operator of Horse Hill licenses PEDL137 and PEDL246, containing the Horse Hill-1 ("HH-1") oil discovery, that Surrey County Council had confirmed the discharge by HHDL of all of pre-commencement planning conditions.

At the date of publication of these accounts, HHDL has received the necessary permission from the Environment Agency and, to our knowledge, is awaiting approval from the Oil and Gas Authority, following which it will be able to commence the planned 150 day EWT programme at Horse Hill.

Brockham (Oil and Gas, United Kingdom

In March 2018 Alba announced that the Operator, Angus Energy, had confirmed the resumption of continuous production from the Portland Reservoir of the BR-X2Y well at Brockham, at a production rate of 21 bopd but that it expected this flow rate to increase to roughly 35 bopd, albeit that a natural decline in production rates is expected over time.

In addition, the Operator advised that it had submitted a normalisation planning application to Surrey County Council ("SCC") for the continued surface activities of the production plant required for well BR-X4 (and its inclusive component BR-X4Z). The Operator further advised that it was awaiting SCC's completion of its process. As at the date of publication of these accounts, we await a further update from the Operator.

Greenland Mining Projects (Amitsoq, Thule Black Sands, Inglefield Land, Melville Bay)

After the end of the reporting year, we reported the geochemical assays from the Amitsoq project in southern Greenland. This included graphitic carbon content at the new Kalaaq discovery averaging 25.62% carbon, with a maximum content of 29.0% carbon.

In March 2018 we announced that Alba's Amitsoq graphite licence had been renewed to Alba for a further five-year period and that the Government of Greenland had granted a 12 month moratorium on the exploration expenditure commitment attaching to the Amitsoq licence. Further metallurgical testwork confirmed the ability to produce a marketable grade concentrate from Amitsoq graphite.

At Thule Black Sands, Alba announced the completion of the compilation by GEUS, the Geological Survey of Denmark and Greenland, of a georeferenced orthophoto and digital elevation model across the project area.

Alba announced after the end of the reporting year that it had been granted a mineral exploration licence in Inglefield Land, north-west Greenland, close to Alba's existing Inglefield licence area. Extensive exploration has been carried out across Inglefield Land by previous operators in the region as well as by GEUS, and the historical data on Alba's combined Inglefield Land ground includes assay results confirming the presence of copper, gold, cobalt, vanadium and nickel. GEUS has identified that Inglefield Land has the potential for copper-zinc volcanogenic massive sulphide (VMS) deposits, which are associated with and created by volcanic-associated hydrothermal events in submarine environments. Previous extensive surface sampling has reported anomalous copper (up to 1.39%), gold (up to 1.7g/t), cobalt (up to 0.16%), vanadium and nickel.

Corporate

In March 2018, Alba announced two senior oil and gas appointments. Sue Corrigan joined as Alba's Technical Consultant - Oil & Gas. Ms Corrigan is a Geologist and Geoscientist with 40 years' industry experience in both Exploration and Development geology. In addition, Feroz Sultan was appointed as Alba's Special Adviser - Oil & Gas. Mr Feroz Sultan is a petroleum geologist with over 40 years of diverse experience in the management, exploration, development and production of oil and gas.

Also in March 2018, the Company announced that it had raised £750,000 (before expenses) in a share placing.

I would like to thank all our shareholders for their continued support.

George Frangeskides
Executive Chairman
26 April 2018

Alba Mineral Resources plc

STRATEGIC REPORT

The directors present the strategic report for Alba Mineral Resources plc (the “Company” or “Alba”, and collectively with its Subsidiary Companies, the “Group”) for the year ended 30 November 2017.

PRINCIPAL ACTIVITIES

The Group’s principal activity is exploration for and development of natural resources.

BUSINESS REVIEW

The Company operates principally as a holding company and specifically provides support to the Subsidiary Companies, which hold or have applied for exclusive rights to explore a portfolio of mineral exploration properties.

A review of activities is given in the Chairman’s Statement. The other principal risks and uncertainties relate to funding risk and the ability to raise funds to further exploration activities, as well as to exploration risk in the event that exploration programs are not successful. (See also note 1 to the accounts).

KEY PERFORMANCE INDICATORS (KPIs)

As the Group is a pure exploration group with no production or proven reserves at present, other than a 5% investment in Brockham Oil Field which is operated by a third party, at present KPIs would not provide useful information for investors. The Board is considering whether KPIs could be considered for adoption in the year ahead.

Approved by the Board of Directors
and signed on behalf of the Board

George Frangeskides
Director
26 April 2018

DIRECTORS' REPORT

The directors present their report and the audited financial statements of Alba Mineral Resources plc (the "Company" or "Alba", and collectively with its Subsidiary Companies the "Group") for the year ended 30 November 2017. The consolidated financial results of the Group include the results of Aurum Mineral Resources Ltd, Mauritania Ventures Limited, Obsidian Mining Limited, White Eagle Resources Limited, White Fox Resources Limited and Dragonfire Mining Limited (collectively the "Subsidiary Companies"). Alba Mineral Resources Sweden AB was dissolved during the reporting period.

RESULTS AND DIVIDENDS

The loss of the Group for the year, after taxation, attributable to equity holders of the parent amounted to £227,699 (2016: £425,390 loss).

The directors do not recommend the payment of a dividend (2016: £nil).

DIRECTORS

George Frangeskides, Michael Nott and Manuel Lamboley served as directors throughout the year.

DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant audit information of which the company's auditor was unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditor was aware of that information.

This information is given and should be interpreted in accordance with the provisions of section 418 of Companies Act 2006.

FINANCIAL INSTRUMENTS AND RISKS

The disclosure relating to financial instruments and risks have been included in the notes to the financial statements (note 20).

EVENTS AFTER THE REPORTING PERIOD

See note 23 and the Chairman's Statement.

FUTURE DEVELOPMENTS

See Chairman's Statement.

AUDITOR

A resolution to re-appoint the auditor, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

George Frangeskides
Director
26 April 2018

Alba Mineral Resources plc

DIRECTORS' RESPONSIBILITIES STATEMENT

The Company's ordinary shares are traded on AIM and the Company is therefore not formally required to comply with the provisions of the UK Corporate Governance Code. However, the Board is committed to high standards of corporate governance and as the Company grows the Board will review the Code from time to time and will adopt such of the provisions as it considers to be appropriate to the size of the Company.

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company/Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALBA MINERAL RESOURCES PLC

Opinion
We have audited the financial statements of Alba Mineral Resources plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2017 which comprise Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Cash Flow Statements and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2017 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern
We draw attention to Note 1 of the financial statements which, under the heading "Going Concern", sets out the circumstances which lead to there being a material uncertainty that may cast significant doubt over the ability of the group and company to continue as going concerns. Our opinion is not modified in respect of this matter.

Key audit matters
In addition to the matter described in the *Material uncertainty related to going concern* paragraph above we identified the key audit matters described below as those that were of most significance in the audit of the financial statements of the current year. Key audit matters include the most significant assessed risks of material misstatement, including those risks that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALBA MINERAL RESOURCES PLC (continued)

Key audit matters (continued)

Carrying values and impairment of exploration and evaluation costs

Description of the risks
The exploration and evaluation costs form a significant part of the group's assets. The costs relate to projects which are at an early stage of exploration and there is no certainty as to whether commercially viable quantities of mineral resources will be discovered and whether the directors intend to continue each of the exploration activities.

Our response to the risk
In respect of each material license, our work included:

- by reference to the relevant Government databases of licenses we confirmed that the Group still retained its exploration licenses
- where the licenses were near to expiry we considered whether the directors intended to seek renewal of the licenses and whether there were any indications that the relevant licenses may not be renewed
- we agreed a sample of the costs making up the capitalised expenditure for the year to supporting documentation, assessing whether the capitalisation was appropriate
- we considered whether the outcome of the exploration activities to date indicated that the prospective mineral resources may be commercially unviable
- we considered if the directors intended to undertake further substantive exploration activities in each license and whether such expenditure was included within the financial forecasts

Carrying value of the investment in Horse Hill Development Company Limited

Description of the risks
As explained in Note 9, the Group and company's investment in Horse Hill Development Company Limited are recorded at valuation, as the directors have determined it is possible to reliably estimate that value. In prior years, the investment was recorded at cost, as the directors considered that it was not possible to reliably estimate the fair value of the investments.

Estimates are inherently subjective, as is the determination as to whether a valuation can be reliably made, and hence whether the investment should be held at cost or at valuation.

Our response to the risk
We undertook the following procedures:

- we established the basis on which the directors' valuation was undertaken and assessed if the valuation methodology was in accordance with relevant accounting standards
- we verified the observable inputs to the valuation
- we considered if the range of estimates for the valuation were significant, which would indicate that it was inappropriate for the investment to be held at valuation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALBA MINERAL RESOURCES PLC (continued)

Key audit matters (continued)

Carrying values and impairment of the parent company's investment in its subsidiaries and loans due to the parent company from its subsidiaries

Description of the risk
Due to accumulated losses incurred by the subsidiaries of the parent company, the value of investments held by the parent company in those subsidiaries and the value of loans due to the parent company from those subsidiaries may not be recoverable. This could lead to impairment in these asset values on the parent company's statement of financial position.

As described in Note 1 under the heading "Impairment assessment of investment in and loans to each of Mauritania Ventures Limited (£nil), Aurum Mineral Resources Ltd (£1,399,734), Obsidian Mining Limited (£737,503), White Eagle Resources Limited (£108,345) and White Fox Resources Limited (£32,077) – company only" the directors of the parent company have assessed whether the investments and loans are recoverable by reference to their impairment assessments of the respective assets of the subsidiary companies.

Our response to the risk
We reviewed and challenged the directors' assessments in respect of the parent company's investment in and loans due from the subsidiary companies and, for each subsidiary company, considered whether the directors assessment was consistent with their conclusions regarding the impairments of the subsidiaries' underlying exploration assets.

Materiality
The materiality for the group financial statements as a whole was set at £159,000. This has been determined with reference to the benchmark of the group's total assets, which we consider to be one of the principal considerations for members of the parent company in assessing the performance of the group. Materiality represents 3% of the group's total assets as presented on the face of the consolidated statement of financial position.

The materiality for the parent company financial statements as a whole was set at £127,200. This has been determined with reference to the benchmark of the parent company's total assets as the parent company exists as a holding company for the Group and certain of the group's assets. Materiality represents 3% of net assets as presented on the face of the parent company's statement of financial position, capped at 80% of group materiality.

An overview of the scope of our audit
The Group has seven reporting components, of which the parent company was subject to a full scope audit and we directly audited certain assets, liabilities and expenses of four components. In total our audit work covered 99.4% of the consolidated assets, 99.4% of the consolidated liabilities and 93.8% of the consolidated expenses. Two of the remaining components were inactive in the year and had no assets or liabilities as at the year end; the assets and liabilities of the other component are immaterial to the group.

All group entities have common management and centralised process and controls and all our audit work was all conducted in solely the UK.

Other information
The other information comprises the information included in the *Report and Consolidated Financial Statements*, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALBA MINERAL RESOURCES PLC (continued)

Other information (continued)
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALBA MINERAL RESOURCES PLC (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Andrew Bond	25 Moorgate
Senior Statutory Auditor, for and on behalf of	London
Nexia Smith & Williamson	EC2R 6AY
Statutory Auditor	
Chartered Accountants	26 April 2018

Alba Mineral Resources plc

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Note	2017	2016
		£	£
Revenue		-	-
Cost of sales		-	-
Gross loss		-	-
Administrative expenses		(649,125)	(425,562)
Impairment of deferred exploration expenditure	**8**	(569,218)	-
Operating loss	**3**	(1,218,343)	(425,562)
Revaluation of investment	**9**	700,000	-
Finance costs		-	-
Loss before tax		(518,343)	(425,562)
Taxation	**5**	-	-
Loss for the year		(518,343)	(425,562)
Attributable to:			
Equity holders of the parent		(227,699)	(425,390)
Non-controlling interests		(290,644)	(172)
		(518,343)	(425,562)
Loss per ordinary share			
Basic and diluted	**7**	(0.012) pence	(0.031) pence

Alba Mineral Resources plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2017

	2017	2016
	£	£
Loss after tax	(518,343)	(425,562)
Items that may subsequently be reclassified to profit or loss:		
- Foreign exchange movements	4,526	5,190
Total comprehensive loss	(513,817)	(420,372)
Total comprehensive loss attributable to:		
Equity holders of the parent	(223,173)	(420,200)
Non-controlling interests	(290,644)	(172)
	(513,817)	(420,372)

Alba Mineral Resources plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 NOVEMBER 2017

	Note	2017	2016
		£	£
Non-current assets			
Intangible fixed assets	**8**	1,145,336	1,383,895
Investments	**9**	3,619,465	2,286,315
Available for sale assets		14,335	56,285
Total non-current assets		4,779,136	3,726,495
Current assets			
Trade and other receivables	**11**	35,276	15,261
Cash and cash equivalents	**12**	626,939	668,340
Total current assets		662,215	683,601
Current liabilities			
Trade and other payables	**13**	(180,014)	(377,212)
Financial liabilities	**14**	(253,073)	(253,073)
Total current liabilities		(433,087)	(630,285)
Net assets		5,008,264	3,779,811
Capital and reserves			
Called up share capital	**15**	3,086,246	2,654,703
Share premium account		4,655,702	3,472,671
Warrant reserve		231,969	546,098
Retained losses		(3,095,120)	(3,309,246)
Merger reserve		200,000	200,000
Foreign currency reserve		193,685	189,159
Equity attributable to equity holders of the parent		5,272,482	3,753,385
Non-controlling interests	**16**	(264,218)	26,426
Total equity		5,008,264	3,779,811

These financial statements were approved and authorised for issue by the Board of Directors on 26 April 2018.

Signed on behalf of the Board of Directors
George Frangeskides
Director

Company No. 5285814

Alba Mineral Resources plc

COMPANY STATEMENT OF FINANCIAL POSITION

30 NOVEMBER 2017

	Note	2017 £	2016 £
Non-current assets			
Intangible fixed assets	**8**	208,030	187,125
Investments	**9**	3,619,465	2,286,315
Available for sale assets		14,335	56,285
Investments in subsidiaries	**10**	530,729	581,633
Loans to subsidiaries	**10**	1,746,989	1,633,800
Total non-current assets		6,119,548	4,745,158
Current assets			
Trade and other receivables	**11**	35,276	15,261
Cash and cash equivalents	**12**	626,793	667,712
Total current assets		662,069	682,973
Current liabilities			
Trade and other payables	**13**	(177,422)	(372,551)
Total current liabilities		(177,422)	(372,551)
Net assets		6,604,195	5,055,580
Capital and reserves			
Called up share capital	**15**	3,086,246	2,654,703
Share premium account		4,655,702	3,472,671
Warrant reserve		231,969	546,098
Retained losses		(1,569,722)	(1,817,892)
Merger reserve		200,000	200,000
Equity shareholders' funds		6,604,195	5,055,580

The loss of the parent company for the year was £193,655 (2016 - £232,392).

These financial statements were approved and authorised for issue by the Board of Directors on 26 April 2018.

Signed on behalf of the Board of Directors
George Frangeskides
Director

Company No. 5285814

Alba Mineral Resources plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Share capital	Share premium	Warrant reserve	Profit and loss	Merger reserve	Foreign currency reserve	Attributable to equity holders of parents	Non controlling interest	Total
	£	£	£	£	£	£	£	£	£
At 1 December 2015	1,993,171	2,586,286	446,291	(2,883,856)	200,000	183,969	2,525,861	26,598	2,552,459
Loss for the period	-	-	-	(425,390)	-	-	(425,390)	(172)	(425,562)
Translation differences	-	-	-	-	-	5,190	5,190	-	5,190
Comprehensive loss for the period	-	-	-	(425,390)	-	5,190	(420,200)	(172)	(420,372)
Shares and warrants issued	661,532	958,069	-	-	-	-	1,619,601	-	1,619,601
Share issue costs	-	(71,684)	-	-	-	-	(71,684)	-	(71,684)
Equity settled share based payments	-	-	99,807	-	-	-	99,807	-	99,807
At 30 November 2016	2,654,703	3,472,671	546,098	(3,309,246)	200,000	189,159	3,753,385	26,426	3,779,811
Loss for the period	-	-	-	(227,699)	-	-	(227,699)	(290,644)	(518,343)
Translation differences	-	-	-	-	-	4,526	4,526	-	4,526
Comprehensive loss for the period	-	-	-	(227,699)	-	4,526	(223,173)	(290,644)	(513,817)
Shares issued	431,543	1,245,931	-	-	-	-	1,677,474	-	1,677,474
Share issue costs	-	(62,900)	-	-	-	-	(62,900)	-	(62,900)
Equity settled share based payments	-	-	127,696	-	-	-	127,696	-	127,696
Transfer on expiry of warrants	-	-	(441,825)	441,825	-	-	-	-	-
At 30 November 2017	3,086,246	4,655,702	231,969	(3,095,120)	200,000	193,685	5,272,482	(264,218)	5,008,264

Alba Mineral Resources plc

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Share capital	Share premium	Warrant reserve	Profit and loss	Merger reserve	Attributable to equity holders of parents
	£	£	£	£	£	£
At 30 November 2015	1,993,171	2,586,286	446,291	(1,585,500)	200,000	3,640,248
Loss for the period	-	-	-	(232,392)	-	(232,392)
Comprehensive loss for the period	-	-	-	(232,392)	-	(232,392)
Shares and warrants issued	661,532	958,069	-	-	-	1,619,601
Share issue costs	-	(71,684)	-	-	-	(71,684)
Equity settled share based payments	-	-	99,807	-	-	99,807
At 30 November 2016	2,654,703	3,472,671	546,098	(1,817,892)	200,000	5,055,580
Loss for the period	-	-	-	(193,655)	-	(193,655)
Comprehensive loss for the period	-	-	-	(193,655)	-	(193,655)
Shares issued	431,543	1,245,931	-	-	-	1,677,474
Share issue costs	-	(62,900)	-	-	-	(62,900)
Equity settled share based payments	-	-	127,696	-	-	127,696
Transfer on expiry of warrants	-	-	(441,825)	441,825	-	-
At 30 November 2017	3,086,246	4,655,702	231,969	(1,569,722)	200,000	6,604,195

Alba Mineral Resources plc

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Note	2017	2016
		£	£
Cash flows from operating activities			
Operating loss		(1,218,343)	(425,562)
Consulting fees settled in shares		65,000	60,000
Share option charge		127,695	99,807
Provision for impairment		611,168	-
Foreign exchange revaluation adjustment		4,526	5,190
Increase/(decrease) in creditors		23,702	75,312
Decrease/(increase) in debtors		(20,015)	81,682
Net cash used in operating activities		(406,267)	(103,571)
Cash flows from investing activities			
Payments for deferred exploration expenditure	**8**	(356,616)	(380,121)
Payments for available for sale assets		-	(56,285)
Investments	**9**	(449,049)	(433,494)
Net cash used in investing activities		(805,665)	(869,900)
Cash flows from financing activities			
Proceeds from the issue of shares and warrants		1,233,431	1,425,001
Costs of issue		(62,900)	(71,684)
Net cash generated from financing activities		1,170,531	1,353,317
Net increase in cash and cash equivalents		(41,401)	379,846
Cash and cash equivalents at beginning of period		668,340	288,494
Cash and cash equivalents at end of year	**12**	626,939	668,340

Non-cash transactions

Significant non cash transactions related to the purchase of investments of £315,000 (2016 - £134,600), the purchase of deferred development expenditure of £64,043 (2016 - £nil) and consulting fees of £65,000 (2016 - £60,000) which were settled by way of the issue of shares.

Accruals includes capital items of £35,461 (2016 - £220,900).

Alba Mineral Resources plc

COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Note	2017	2016
		£	£
Cash flows from operating activities			
Operating loss		(893,655)	(232,392)
Consulting fees settled in shares		65,000	60,000
Share option charge		127,695	99,807
Provision for impairment		361,484	5,019
Foreign exchange revaluation adjustment		(27,452)	(190,205)
Increase/(decrease) in creditors		25,771	73,708
Decrease/(increase) in debtors		(20,015)	81,682
Net cash used in operating activities		(361,172)	(102,381)
Cash flows from investing activities			
Investments in and loans to subsidiaries	**10**	(380,324)	(325,239)
Payments for deferred exploration activities	**8**	-	-
Payments for available for sale assets		-	(56,285)
Payments for intangible fixed assets		(20,905)	(56,225)
Investments	**9**	(449,049)	(433,494)
Net cash used in investing activities		(850,278)	(871,243)
Cash flows from financing activities			
Proceeds from the issue of shares and warrants		1,233,431	1,425,001
Costs of issue		(62,900)	(71,684)
Net cash generated from financing activities		1,170,531	1,353,317
Net increase in cash and cash equivalents		(40,919)	379,693
Cash and cash equivalents at beginning of period		667,712	288,019
Cash and cash equivalents at end of year	**12**	626,793	667,712

Non-cash transactions

Significant non cash transactions related to the purchase of investments of £315,000 (2016 - £134,600), investments in subsidiaries of £64,043 (2016 - £nil) and consulting fees of £65,000 (2016 - £60,000).

Accruals includes capital items of £35,461 (2016 - £220,900).

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

Alba Mineral Resources plc is a public limited company incorporated and domiciled in England & Wales, whose shares are publicly traded on the AIM market of the London Stock Exchange plc. The registered office address is 6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR. The consolidated financial statements have been prepared on the historical cost basis, save for the revaluation of certain financial assets. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, except as explained below.

Going concern

Based on financial projections prepared by the directors, the Group's current cash resources are insufficient to enable the Group to meet its recurring outgoings and projected exploration expenditure for the entirety of the next twelve months. However, the directors have a reasonable expectation that the Group will continue to be able to meet its commitments for the foreseeable future by raising funds when required from the equity capital markets. The Company may also consider future joint venture funding arrangements in order to share the costs of the development of its exploration assets, or to consider divesting of certain of its assets and realising cash proceeds in that way in order to support the balance of its exploration and investment portfolio, though that is not currently the Company's preferred route.

In addition, these financial projections take no account of any revenues to be directly received by the Company as a result of oil production at the Brockham oil field or any revenues which may be received by Horse Hill Developments Limited (HHDL) as a result of production testing at Horse Hill, and which would reduce the commitments of the shareholders of HHDL, including the Company.

The directors continue to adopt the going concern basis of accounting in preparing the financial statements, but note that there is a material uncertainty over the ability of the Company to fund the recurring and projected expenditure, including development of the Group's exploration assets. If the Company is unable to raise necessary funds, the ability of the Company to continue as a going concern would be in significant doubt and it may be unable to realise its assets and discharge its liabilities in the normal course of business. In particular, the inability to fund the continued development of the Group's exploration assets may result in them becoming impaired and any failure to contribute its share of future exploration and development activities in respect of the oil and gas investments would result in the dilution of the Group's interests in those assets.

Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS") and IFRS Interpretations Committee ("IFRIC") interpretations as adopted by the European Union.

Critical accounting estimates and judgements

The preparation of the financial statements in conformity with generally accepted accounting practice requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas of judgement that have the most significant effect on the amounts recognised in the financial statements are as follows:

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Capitalisation and impairment assessment of exploration and evaluation costs - £937,306

The capitalisation and impairment assessment of exploration costs relating to the exploration and evaluation phase requires management to make estimates and assumptions as to the future events and circumstances, especially in relation to whether an economically viable extraction operation can be established. In making such judgements, the directors take comfort from the findings from exploration activities undertaken, the fact the Group intends to continue these activities and that the Company expects to be able to raise additional funding to enable it to continue the exploration activities.

Such estimates are subject to change and following initial capitalisation, should it become apparent that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the income statement.

The licence for the Mauritania Uranium project expired in May 2015. In February 2016 the Group submitted its application for a new licence, the application being for a smaller area than the previous licence, but to date the new licence has not been awarded. Under Mauritanian law, the application process is lengthy, leading to the current licence hiatus. While the directors are hopeful that the new licence will be granted in due course and that the Group will be able to continue these exploration activities, given the continuing uncertainty regarding precisely when the new licence will be granted and the length of time that has elapsed to date, the Directors have decided that the prudent course of action is to impair the deferred exploration costs relating to this project of £569,218.

The balance of the Group's deferred exploration costs relate to the projects in Greenland (ilmenite, graphite, iron ore) and the Limerick base metals project.

Carrying value of investments - £3,619,465

The Group and company's investment in Horse Hill Developments Limited is carried at fair value, as, in the judgement of the directors, it has been possible to estimate a reliable fair value for the investment by reference to recent share transactions where there has been no substantial variation in the range of values. Additionally, although the investment is in the form of equity and a shareholder loan, the directors judge that the loan is in substance part of the equity investment.

In prior years, the directors considered that it was not possible to determine a reliable value for the investment as the range of reasonable fair value measurements was significant. This change in estimation technique has resulted in a gain on investments in the year of £700,000.

Control over Mauritania Ventures Limited

The directors have to use judgement to assess whether they have control over Mauritania Ventures Limited, where the Group owns a 50% economic interest. The directors have assessed that they have control over that company and therefore it is accounted for as a subsidiary. (See also note 10).

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Impairment assessment of investment in and loans to each of Mauritania Ventures Limited (£nil), Aurum Mineral Resources Ltd (£1,399,734), Obsidian Mining Limited (£737,503), White Eagle Resources Limited (£108,345) and White Fox Resources Limited (£32,077) – company only

In preparing the parent company financial statements, the directors have to assess whether any, or all of the company's investments in and loans to each of Mauritania Ventures Limited, Aurum Mineral Resources Limited, Obsidian Mining Limited, White Eagle Resources Limited and White Fox Resources Limited are impaired or not. These companies have no source of funds other than their shareholders and the ability of the companies to repay their inter-company debt and for the Company to gain value from its investments in the companies is dependent on the future success of the companies' exploration activities. In undertaking their impairment assessment, the directors consider the outcome of their impairment assessment of the relevant licences. Following the directors' decision to impairment the value of the exploration costs previously capitalised in respect of Mauritania, they also considered the investment in and the loan to Mauritania Ventures Limited to be impaired and have provided against these accordingly.

New standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year. There are no new and amended standards and interpretations that impact either the financial position, financial results, disclosures or stated accounting policies of the Group.

At the date of authorisation of these financial statements the following amendments which have not been applied in these financial statements were in issue and endorsed by the EU but not yet effective:

IFRS 9: Financial Instruments (effective 1 January 2018)
IFRS 15: Revenue from Contracts with Customers (effective 1 January 2018)
IFRS 16: Leases (effective 1 January 2019)
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (effective 1 January 2017)
Amendments to IAS 7: Statement of Cash Flows Disclosure Initiative (effective 1 January 2017)
Amendments to IFRS 2: Classification and measurement of share-based payments

In addition, there are further amendments and standards which have been issued but not yet endorsed by the EU, including:

Amendments to IAS 28: Investments in Associates and Joint Ventures

The directors do not anticipate the adoption of these amendments will have a material impact on the financial statements in the period of initial application. Other amendments, standards and interpretations are in issue but they are not relevant to the Group and as such they are not commented on.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and companies controlled by the Company, the Subsidiary Companies, drawn up to 30 November each year.

Control is recognised where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, where appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein.

Non-controlling interests consist of the amounts of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

Foreign currency

For the purposes of the consolidated financial statements, the results and financial position of each Group entity are expressed in pounds sterling, which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences arising are included in the profit or loss for the period.

For the purposes of preparing consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Gains and losses from exchange differences so arising are shown through the Consolidated Statement of Changes in Equity.

Intangible assets: Deferred exploration and evaluation costs

Pre-licence costs are expensed in the period in which they are incurred. Expenditure on licence renewals and new licence applications covering an area previously under licence are capitalised in accordance with the policy set out below.

Once the legal right to explore has been acquired, exploration costs and evaluation costs arising are capitalised on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. Costs include appropriate technical and administrative expenses. If a project is successful, the related expenditures will be reclassified as development and production assets and amortised over the estimated life of the commercial reserves. Prior to this, no amortisation is recognised in respect of such costs. Where a licence is relinquished, a project abandoned, or is considered to be of no further commercial value to the Company, the related costs will be written off to administrative expense within profit or loss. Deferred exploration costs are carried at historical cost less any impairment losses recognised.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Where the Group has entered into a farm out agreement, the Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for as a gain on disposal.

Where the Group enters into a farm in agreement the Group recognised all expenditure which it incurs under that agreement, with the expenditure being either capitalised or expensed in accordance with the policy detailed above.

Intangible assets: Development and production assets

Development and production assets are accumulated into cost centres and represent the cost of developing the commercial reserves and bringing them into production together with any previously deferred exploration and evaluation.

On acquisition of development and production assets from a third party, the asset will be recognised in the financial statements on signature of the sale and purchase agreement, subject to satisfaction of any substantive conditions within the agreement.

Costs relating to each cost centre are depreciated on a unit of production method based on the commercial proven reserves for that cost centre. Changes in reserve quantities and cost estimates are recognised prospectively. On disposal of any part of a development and production asset, proceeds are credited to the Statement of Comprehensive Income, less the percentage cost relating to the disposal.

A review is performed for any indication that the value of the development and production assets may be impaired. Where there are such indications, an impairment test is carried out on the relevant cost centre. Additional depletion is included within cost of sales within the Statement of Comprehensive Income if the capitalised costs of the cost centre exceed the associated estimated future discounted cash flows of the related commercial oil and gas reserves.

Financial instruments

Investment in subsidiaries: Investment in subsidiaries are recognised initially at cost less any provision for impairment.

Investments: Investments in unlisted equity instruments whose fair value cannot be reliably measured are recognised initially at fair value and subsequently measured at cost. Investments in unlisted equity instruments where a value can be reliably measured are recognised at fair value. Investments in listed equity instruments are recognised initially and subsequently at fair value, and are classed as available for sale assets.

Trade and other receivables: Trade and other receivables are not interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

Cash and cash equivalents: Cash and cash equivalents include cash on hand and deposits held at call with banks.

Trade and other payables: Trade and other payables are not interest bearing and are recognised initially at fair value and subsequently measured at amortised cost.

Financial liabilities: All financial liabilities are recognised initially at fair value and are subsequently measured at amortised cost. There are no financial liabilities classified as being at fair value through profit or loss.

Share capital: The Company’s ordinary and deferred shares are classified as equity.

Warrants: Warrants are stated at their value, which is estimated using a binomial model (2016: Black Scholes model).

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account deferred tax. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss, and is accounted for using the liability method.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available in the foreseeable future against which the temporary differences can be utilised.

2. ANALYSIS OF SEGMENTAL INFORMATION

The Group currently only has one primary reporting business segment, exploration and development. The Group's primary business activities operate in four different geographical areas (and the Group has an investment in a fifth area) and the exploration assets and capital expenditures can be presented on the basis of geographical segments.

	2017	2016
Total assets	**£**	**£**
Republic of Ireland	94,984	88,059
Greenland	842,322	539,720
Mauritania	-	569,217
Australia	14,335	56,285
United Kingdom	4,489,710	3,156,815
Total segment assets	5,441,351	4,410,096
Capital expenditure		
Republic of Ireland	7,102	36,762
Mauritania	-	397
Australia	-	56,285
Greenland	302,651	489,671
United Kingdom	654,055	642,284
	963,808	1,225,399

The Board of the Company evaluate the business on a geographical basis. The administrative expenditure in the income statement primarily relate to central costs. For 2017, the impairment charge relates to Mauritania and the revaluation of investment to the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. OPERATING PROFIT/(LOSS)

	2017	2016
	£	£
This is stated after charging/(crediting):		
Impairment of intangible exploration asset	569,218	-
Auditor's remuneration		
- audit services	20,420	15,000
- other services	-	-

4. DIRECTORS' EMOLUMENTS

There were no employees during the period apart from the directors, who are the key management personnel. No directors had benefits accruing under money purchase pension schemes.

Group and Company	2017	2016
	£	£
Directors' Remuneration		
Fees	16,800	30,715
Salaries	156,000	94,000
	172,800	124,715
Share option charge	120,614	88,927
Social security costs	17,343	9,905
Key management personnel remuneration	310,757	223,547
Average number of employees	3	3

	Fees 2017	Salaries 2017	Total 2017	Fees 2016	Salaries 2016	Total 2016
	£	£	£	£	£	£
Executive Directors						
George Frangeskides	16,800	100,000	116,800	26,740	48,000	74,740
Michael Nott	-	42,000	42,000	-	36,000	36,000
Chade van Hatch	-	-	-	3,975	4,000	7,975
Manuel Lamboley	-	14,000	14,000	-	6,000	6,000
Total	16,800	156,000	172,800	30,715	94,000	124,715

Mr Frangeskides agreed to settle a total of £14,000 of the fees stated above by way of the issue of fully paid ordinary shares in the Company. (In 2016, Mr Frangeskides agreed to settle £30,000 of fees and salary by way of the issue of fully paid ordinary shares).

Note 22 gives details of other transactions with the directors.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. DIRECTORS' EMOLUMENTS (continued)

During the year the company granted warrants and options to each of the directors as follows:

	2017 No	2016 No
George Frangeskides	60,000,000	20,000,000
Michael Nott	15,000,000	20,000,000
Manuel Lamboley	-	5,000,000

The warrants issued to Mr Nott during the year ended 30 November 2017 have an exercise price of 0.4 pence per share. Subject to the terms of the warrants, the warrants issued can be exercised at any time from the date of grant, 13 January 2017, until 27 March 2021.

The options awarded to Mr Frangeskides during the year ended 30 November 2017 were under the Company's new Enterprise Management Incentive plan ("EMI scheme"). Following adoption of the EMI scheme, the remuneration committee awarded to George Frangeskides (Executive Chairman) 15 million share options vesting the day following 13 January 2017 ("date of grant"), with a further 15 million share options vesting on each of the dates falling 6, 12 and 18 months following the date of grant. These options have an exercise price of 0.4p and expire on the tenth anniversary of grant if not exercised. They are subject to accelerated vesting in certain circumstances, including pursuant to a change of control of the Company following a completed takeover offer.

The estimated value of the share based remuneration provided to directors in the year ended 30 November 2017 was £120,614 (2016: £88,927). This value is derived from a binomial valuation as described in note 15 (2016: Black Scholes model). The warrants were issued when the share price was 0.36 pence per share and the warrants were valued at between 0.18 pence and 0.28 pence per share depending on their vesting date. The warrant value is high as a proportion of the market price due to the share price volatility.

The warrants issued during the prior year have an exercise price of 0.3 pence per share and can be exercised at any time until 27 March 2021.

5. INCOME TAXES

a) Analysis of charge in the period

	2017	2016
	£	£
United Kingdom corporation tax at 19.34% (2016: 20.00%)	-	-
Deferred taxation	-	-
	-	-

b) Factors affecting tax charge for the period

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 19.34% (2016: 20.00%). The differences are explained below:

	2017	2016
	£	£
(Loss)/profit on ordinary activities before tax	(518,343)	(425,562)
(Loss)/profit multiplied by standard rate of tax	(100,236)	(85,112)
Effects of:		
Losses carried forward not recognised as deferred tax assets	100,236	85,112
	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses and accelerated capital allowances, as there is insufficient evidence that the potential asset will be recovered. Given the lack of funds available to the Group and the non-recognition of any asset, no full analysis of deferred tax asset has been prepared. However, the aggregated losses in each of the Group companies, Alba Mineral Resources plc, Aurum Mineral Resources Ltd, Mauritania Ventures Limited, Obsidian Mining Limited, White Eagle Resources Limited, and White Fox Resources Limited, amounted to £3,795,120 before adjustments required by local tax rules and excluding losses on intra-group transactions (2016: £3,309,246).

6. COMPANY LOSS/PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not included its own income statement and statement of comprehensive income in these financial statements. The Company's loss for the year amounted to £193,655 (2016: £232,392 loss).

7. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributed to ordinary shareholders of £227,699 (2016: £425,390 loss) by the weighted average number of shares of 1,949,148,404 (2016: 1,373,008,189) in issue during the year. The diluted loss per share calculation is identical to that used for basic loss per share as warrants are not dilutive due to the losses incurred during the current and prior periods.

8. INTANGIBLE FIXED ASSETS

Group	Exploration and evaluation	Development and production	Total
Cost	**£**	**£**	**£**
At 1 December 2015	662,874	-	662,874
Exchange differences	7,463	-	7,463
Additions	526,433	187,125	713,558
At 30 November 2016	1,196,770	187,125	1,383,895
Exchange differences	6	-	6
Additions	309,748	20,905	330,653
As 30 November 2017	1,506,524	208,030	1,714,554
Amortisation			
As at 1 December 2015 and 30 November 2016			
Impairment charge for the year	(569,218)	-	(569,218)
As 30 November 2017	(569,218)	-	(569,218)
Net book value			
At 30 November 2017	937,306	208,030	1,145,336
At 30 November 2016	1,196,770	187,125	1,383,895

The provision for impairment during the period was against the intangible fixed assets relating to the Mauritania uranium project. A new uranium exploration licence was applied for in a February 2016 but has yet to be awarded. The directors consider that due to the continuing uncertainty regarding precisely when the new licence will be granted and the length of time that has elapsed to date, it is prudent to make a provision against the full value of asset.

The Mauritania Uranium project is held by Mauritania Ventures Limited, a company which is 50% owned by the Group. The consent of the holder of the other 50% of the shares must be obtained before the project asset can be sold or otherwise transferred.

The group's other intangible fixed assets relate to Amitsoq, the Greenland graphite project (£723,150), Thule, the Greenland mineral sands project (£90,420), other Greenlandic projects (£28,753), the Limerick base metals project (£94,984) and the Brockham oil field project (£208,030).

Company	Exploration and evaluation	Development and production	Total
Cost	**£**	**£**	**£**
At 1 December 2015	50,000	-	50,000
Additions	-	187,125	187,125
Transfer to investment in subsidiaries	(50,000)	-	(50,000)
At 30 November 2016	-	187,125	187,125
Additions	-	20,905	20,905
At 30 November 2017	-	208,030	208,030

The company deferred exploration costs relate solely to the Brockham oil field.

9. INVESTMENTS

	£
At 30 November 2015	1,838,222
Additions	448,093
At 30 November 2016	2,286,315
Additions	633,150
Revaluation	700,000
At 30 November 2017	3,619,465

The above investment represents an investment in 18.1% (2016 – 15%) of the issued share capital of Horse Hill Developments Limited ("HHDL") and an associated loan to that company. HHDL is an early stage private company with no stock quote, but recent share transactions have been without substantial variation in the range of prices and have allowed the directors to reliably estimate the fair value of the investment. Under the IFRS 7 valuation hierarchy this is a tier 2 valuation technique, with the observable inputs being the share prices arising on recent purchase of HHDL shares. (To 30 November 2016, the directors considered that it was not possible to determine a reliable value for the investment as the range of reasonable fair value measurements was significant and the investment was stated at cost).

The directors' current intention is to retain this investment for the foreseeable future. The registered office of HHDL is: The Broadgate Tower, 8th Floor, 20 Primrose Street, London, EC2A 2EW.

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	Investments	Loans	Total
Company	**£**	**£**	**£**
At 30 November 2015	282,483	1,162,524	1,445,007
Additions	249,150	286,090	535,240
Transfer from intangible fixed assets	50,000	-	50,000
Foreign exchange movements	-	190,205	190,205
Provision for impairment	-	(5,019)	(5,019)
At 30 November 2016	581,633	1,633,800	2,215,433
Additions	(904)	355,271	354,367
Foreign exchange movements	-	27,452	27,452
Provision for impairment	(50,000)	(269,534)	(319,534)
At 30 November 2017	530,729	1,746,989	2,277,718

During the period the Company made a provision for impairment of its investment in Mauritania Ventures Limited and the associated intercompany loan. A new uranium exploration licence has been applied for in a prior period but the directors considered that due to the continuing uncertainty regarding precisely when the new licence will be granted and the length of time that has elapsed to date it would be prudent to make a provision against the full value of the investment and the loan.

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (continued)

At 30 November 2017 the Company held the following interests in subsidiary undertakings, which are included in the consolidated financial statements and are unlisted.

Name of company	Country of incorporation	Proportion held	Business
Aurum Mineral Resources Ltd	Ireland	100%	Exploration
Mauritania Ventures Limited	England & Wales	50%	Exploration
Obsidian Mining Limited	England & Wales	90%	Exploration
White Eagle Resources Limited	England & Wales	100%	Exploration
White Fox Resources Limited	England & Wales	51%	Exploration
Dragonfire Mining Limited	England & Wales	100%	Exploration

The address of the registered office of Aurum Mineral Resources Ltd is Suite No. 2, Unit No. 34 Kells Business Park, Cavan Road, Kells, Co. Meath, Ireland. All the other companies have their registered office at 6th Floor, 60 Gracechurch Street, London EC3V 0HR.

Mauritania Ventures Limited has been treated as a subsidiary undertaking because the Company exercises dominant influence over the investment by virtue of having the casting vote at Board meetings.

The additions to investments in the prior year relate to Obsidian Mining Limited. For accounting purposes, the Group is considered to have assumed control of that company in the prior year, although the acquisition was legally completed only after the Greenland authorities had given their regulatory approval in February 2017. The Group has a put and call option over the 10% of the shares which it does not own.

Alba Mineral Resources Sweden AB was dissolved in January 2017.

11. TRADE AND OTHER RECEIVABLES

	The Group 2017	The Group 2016	The Company 2017	The Company 2016
Current	**£**	**£**	**£**	**£**
Other debtors	22,796	10,428	22,796	10,428
Prepayments and accrued income	12,480	4,833	12,480	4,833
	35,276	15,261	35,276	15,261

The fair value of trade and other receivables approximates to their book value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. CASH AND CASH EQUIVALENTS

	The Group 2017	The Group 2016	The Company 2017	The Company 2016
	£	£	£	£
Cash at bank and in hand	626,939	668,340	626,793	667,712
	626,939	668,340	626,793	667,712

The fair value of cash at bank is the same as its carrying value.

13. TRADE AND OTHER PAYABLES

	The Group 2017	The Group 2016	The Company 2017	The Company 2016
Current	£	£	£	£
Trade creditors	58,807	89,175	57,826	88,218
Other creditors	22,978	9,022	22,978	9,022
Accruals and deferred income	98,229	279,015	96,618	275,311
	180,014	377,212	177,422	372,551

The fair value of trade and other payables approximates to their book value.

14. FINANCIAL LIABILITIES

	The Group 2017	The Group 2016	The Company 2017	The Company 2016
Financial Liabilities	£	£	£	£
Other borrowings	253,073	253,073	-	-
	253,073	253,073	-	-

The loans outstanding are non-interest bearing with no fixed repayment term and are unsecured.

15. CALLED UP SHARE CAPITAL

	2017 Number of shares	2017 £	2016 Number of shares	2016 £
Allotted, called up and fully paid				
Ordinary shares of 0.1 pence	2,248,614,935	2,248,615	1,817,071,600	1,817,072
Deferred shares of 0.9 pence	93,070,100	837,631	93,070,100	837,631
Total	2,341,685,035	3,086,246	1,910,141,700	2,654,703

On 27 May 2016 the Company adopted new Articles which do not specify authorised share capital. All issued ordinary shares carry equal rights. The deferred shares do not carry any rights to vote or dividend rights. In addition, holders of deferred shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of the ordinary shares have received a payment of £1,000,000 on each such share.

During the year the company issued ordinary shares as follows:

	Number of shares	Proceeds of issue £
13 January 2017 – warrant exercise	51,143,650	153,431
27 February 2017 – partial consideration for acquisition of Obsidian Mining Limited	14,655,839	50,000
2 August 2017 – warrant exercise	5,000,000	15,000
25 August 2017 – placing for cash	266,250,000	1,065,000
28 September 2017 – partial consideration for acquisition of Obsidian Mining Limited, placing to Directors for cash, consulting fees settled in shares	19,760,750	84,043
29 November 2017 – partial consideration for acquisition of additional shares in Horse Hill Developments Limited	74,733,096	315,000
Total	431,543,335	1,682,474

The value of the shares issued to settle outstanding consulting fees is estimated to be the market price for the services rendered.

Details of the shares issued (and warrants exercise) after the period end are given in note 23.

15. CALLED UP SHARE CAPITAL (continued)

As at 30 November 2017 Alba had 173,000,000 warrants and options outstanding.

No. of warrants	Exercise price (pence)	Final exercise date	Vested
15,000,000[1]	0.3 pence	18 September 2020	Vested
20,000,000[1]	0.3 pence	27 March 2021	Vested
2,000,000	0.3 pence	28 May 2021	Vested
51,000,000[2]	0.3 pence	27 March 2021	Vested
15,000,000[3]	0.4 pence	27 March 2021	Vested
60,000,000[3]	0.4 pence	13 January 2027	Awarded under the EMI scheme – see Note 4. 30,000,000 vested in 2017, 30,000,000 vesting in 2018
5,000,000[3]	0.6 pence	22 Oct 2020	Vesting 2018
5,000,000[3]	0.7 pence	1 Nov 2019	2,500,000 vested Dec 2017, 2,500,000 vesting 2018
173,000,000			

As at 30 November 2016 Alba had 265,474,622 warrants outstanding.

No. of warrants	Exercise price (pence)	Final exercise date	Vested
15,000,000[1]	0.3 pence	18 September 2020	Vested
20,000,000[1]	0.3 pence	27 March 2021	Vested
46,143,650	0.3 pence	27 March 2021	Vested
12,000,000	0.3 pence	28 May 2021	Vested
45,909,726	0.5 pence	22 April 2017	Vested
51,333,331	0.5 pence	22 April 2017	Vested
2,754,584	0.5 pence	22 April 2017	Vested
21,333,331	0.5 pence	24 April 2017	Vested
51,000,000[2]	0.3 pence	27 March 2021	47,500,000 vested 3,500,000 vesting in 2017
265,474,622			

[1,2,3] These warrants fall within the scope of IFRS 2 "Share Based Payments" and were issued in 2015, 2016 and 2017 respectively. The fair value of the warrants issued in 2017 calculated using a binomial model was £120,614 (In the prior year a Black Scholes model was used with a fair value of warrants issued of £103,575). Within the meaning of the IFRS 13 fair value hierarchies, this is a Level 2 valuation. It based on the Company's share price volatility over the period to the date of issue of the warrants, a risk free rate of 0.5% (2015: 0.5%) per annum, a dividend yield of nil, the life of the options, the share price at the date of issue of the warrants and the strike prices of the warrants. The volatility was derived from the quoted prices for the Company's shares in the 18 month periods prior to the issue of the respective warrants.

16. NON-CONTROLLING INTERESTS

	£
At 1 December 2015	26,598
Loss on ordinary activities after taxation	(172)
At 30 November 2016	26,426
Loss on ordinary activities after taxation	(290,644)
At 30 November 2017	(264,218)

17. RESERVES

The following describes the nature and purpose of certain reserves within owners' equity:

Share premium: Amounts subscribed for share capital in excess of nominal value less costs of issue.

Merger reserve: Amount in excess of nominal value on issue of shares in relation to business combinations.

Foreign currency reserve: Gains/losses arising on retranslating the net assets of the Group into pounds sterling.

Warrant reserve: Proceeds from the issue of extant warrants.

18. CAPITAL COMMITMENTS

As at 30 November 2017, the Group / Company had committed to spend at least approximately £246,781 in the coming year on its Greenland licences, being in approximate terms the minimum commitment required under the licences.

The directors had also approved the acquisition of a 49 per cent interest in Gold Mines of Wales Limited ("GMOW"), the ultimate owner of the Clogau Gold Project in Wales, for 83,333,333 Alba shares (valuing the total consideration at approximately £316,667).

19. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 November 2017 (2016: £nil).

The Company / Group will be liable for 5% of the abandonment and reinstatement costs relating to the Brockham Production licence. The liability which is expected will arise is not material to the Group or Company.

20. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise investments, cash at bank and various items such as available for sale assets, other debtors, loans and creditors. The Group has not entered into derivative transactions nor does it trade financial instruments as a matter of policy.

Credit Risk

The Group's credit risk arises primarily from cash at bank, other debtors and the risk the counterparty fails to discharge its obligations. In 2017, other debtors included £9,900 (2016 - £nil) which was past due but not impaired.

The company's credit risk primarily arises from intercompany debtors, which are considered to form part of the company's investment in the subsidiaries (see note 10) and cash at bank and other debtors, as per the Group. Should the subsidiaries' exploration activities not be successful, it is possible that these debtors may become irrecoverable.

20. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk

Liquidity risk arises from the management of cash funds and working capital. The risk is that the Group will fail to meet its financial obligations as they fall due. The Group operates within the constraints of available funds and cash flow projections are produced and regularly reviewed by management.

Interest rate risk profile of financial assets

The only financial assets (other than short term debtors) are cash at bank and in hand, which comprises money at call. The interest earned in the year was negligible. The directors believe the fair value of the financial instruments is not materially different to the book value.

Foreign currency risk

The Group has an Irish subsidiary, which can affect the Group's sterling denominated reported results as a consequence of movements in the sterling/euro exchange rates. The Group also incurs costs denominated in foreign currencies (primarily Danish Krone) which gives rise to short term exchange risk. The Group does not currently hedge against these exposures as they are deemed immaterial and there is no material exposure as at the year end (2016 - £nil).

Market risk

Following the acquisition of the investment in Horse Hill Developments Limited ("HHDL"), the Group is exposed to market risk in that the value of the investment would be expected to vary depending on the price of oil. A 10% variation in the price of HHDL shares would result in a change in market value of the Group's investment in HHDL of £362,000. (For 2016, it was not possible to determine a reliable estimate of the fair value of the investment and therefore it was not possible to assess the sensitivity to market risk).

The Group is also exposed to market risk arising from listed investments which are stated at their fair value.

Categories of financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Available for sale financial assets – at cost	-	2,286,315	-	2,286,315
Available for sale financial assets – at fair value	3,633,800	56,285	3,633,800	56,285
Loans and receivables	22,796	10,428	22,796	10,428
	3,656,596	2,353,028	3,656,596	2,353,028
Financial liabilities				
Financial liabilities held at amortised cost	433,086	630,286	177,422	372,551
	433,086	630,286	177,422	372,551

Contractual liabilities of £253,073 (2016: £253,073; Company 2017: £nil, 2016: £nil) have no fixed terms for repayment. Other contractual liabilities are either contractually overdue or due within one month.

21. CAPITAL MANAGEMENT

The Group's objective when managing capital is to safeguard the entity's ability to continue as a going concern and develop its mining and exploration activities to provide returns for shareholders. The Group's funding comprises equity and debt. The directors consider the Company's capital and reserves to be capital. When considering the future capital requirements of the Group and the potential to fund specific project development via debt, the directors consider the risk characteristics of all the underlying assets in assessing the optimal capital structure.

22. RELATED PARTY TRANSACTIONS

Company

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are disclosed in note 10. Details of transactions between the Company and other related parties are disclosed below.

Group

Stirling Corporate Services Limited, a company which George Frangeskides, a director of the Company, controls, charged the Group £14,652 (2016 - £10,800) for the provision of financial and administrative services. As at the year end, £nil (2016 - £nil) was owed to Stirling Corporate Services Limited.

Aetos Consulting Limited, a company which George Frangeskides, a director of the Company, jointly controls, charged the Group fees for consultancy services of £35,700 (2016 - £60,900). Of these fees, £18,900 are not reported as director's fees in note 4 as they represent work carried out specifically on the advancement of the Company's Greenland licences and have therefore been capitalised. As noted below, on 28 September 2017 accrued fees of £30,000 were settled by way of 7,500,000 fully paid ordinary shares which were issued to Mr Frangeskides. As at the year end £240 (2016 - £33,600) was owed to Aetos Consulting Limited.

Woodridge Associates, a business which Michael Nott, a director of the Company, controls, charged the Group fees for consultancy services of £16,800 (2016 - £44,800). These fees are not reported as director's fees in note 4 as they represent work carried out specifically on the advancement of the Company's Amitsoq licence and have therefore been capitalised. As noted below, on 28 September 2017 accrued fees of £30,000 were settled by way of 7,500,000 fully paid ordinary shares which were issued to Mr Nott. As at the year end, £13,920 (2016 – £22,400) was due to Woodridge Associates.

On 28 September 2017 7,500,000 fully paid ordinary shares were issued to Mr Michael Nott, and 7,500,000 fully paid ordinary shares were issued to Mr George Frangeskides, or to their respective nominees, in settlement of accrued fees of £30,000 owed to each of them.

On 13 January 2017, the Company announced that it had introduced a new Enterprise Management Incentive plan ("EMI scheme"). See Note 4 for further details.

23. EVENTS AFTER THE REPORTING PERIOD

On 4 December 2017 Alba announced that it has acquired a 49 per cent interest in Gold Mines of Wales Limited ("GMOW"), the ultimate owner of the Clogau Gold Project in Wales, for 83,333,333 Alba shares (valuing the total consideration at approximately £316,667 based on the Company's closing share price on 1 December 2017).

On 9 February 2018 Alba announced that it had been granted an additional exploration licence in North-West Greenland, securing land adjacent to its Inglefield land licence, prospective for a suite of high-value minerals and metals.

On 23 March Alba announced that it had been advised by HHDL that all pre-commencement planning conditions had been discharged in respect of planned extended flow tests.

On 29 March 2018 Alba announced that it had raised £750,000 (before expenses) through the issue of 250,000,000 ordinary shares at a price of 0.3 pence per share.

Also on 29 March 2018 Alba announced that the operator of the Brockham oil field had advised it that production has resumed at the BR-X2Y well at Brockham. In addition, the Operator advised that it had submitted a normalisation planning application Surrey County Council ("SCC") for the continued surface activities of the production plant required for well BR-X4 (and its inclusive component BR-X4Z). The Operator further advised that it was awaiting SCC's completion of its process. As at the date of publication of these accounts, we await a further update from the Operator.

On 28 December 2017 2018, Alba reported the geochemical assays from the Amitsoq project in southern Greenland. This included graphitic carbon content at the new Kalaaq discovery averaging 25.62% carbon, with a maximum content of 29.0% carbon.

In March 2018 Alba announced that the Amitsoq Graphite licence had been renewed to Alba for a further five-year period and that the Government of Greenland had granted a 12 month moratorium on the exploration expenditure commitment attaching to the Amitsoq licence. Further metallurgical testwork confirmed the ability to produce a marketable grade concentrate from Amitsoq graphite.

At Thule Black Sands, Alba announced on 13 March 2018 the completion of the compilation by GEUS, the Geological Survey of Denmark and Greenland, of a georeferenced orthophoto and digital elevation model across the project area.

In March 2018, Alba announced two senior oil and gas appointments. Sue Corrigan joined as Alba's Technical Consultant - Oil & Gas. Ms Corrigan is a Geologist and Geoscientist with 40 years' industry experience in both Exploration and Development geology. In addition, Feroz Sultan was appointed as Alba's Special Adviser - Oil & Gas. Mr Feroz Sultan is a petroleum geologist with over 40 years of diverse experience in the management, exploration, development and production of oil and gas.