Company No. 5285814

Alba Mineral Resources plc

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2020

Alba Mineral Resources plc

CONTENTS

Alba Mineral Resources plc

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Elizabeth Henson (appointed 8 December 2020)
Lars Brünner (appointed 8 December 2020)

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Alba Mineral Resources plc

CHAIRMAN'S STATEMENT

The Board of Alba Mineral Resources plc is pleased to report the results for the financial year ended 30 November 2020.

References to the "Company" or "Alba" are to Alba Mineral Resources plc and references to the "Group" are to Alba collectively with its Subsidiary Companies (as listed in Note 11).

1. REVIEW OF ACTIVITIES

1.1 INTRODUCTION

The annual Chairman's Statement always provides a good opportunity both to review the past 12 months of progress and also to set our course for the next 12 months. This year, however, it is also an opportunity to make a significant announcement. After assessing all the alternatives, the Alba Board has determined that the optimal way to unlock real and sustained value in our asset portfolio is to effect a divestment of our Greenland assets into a new Greenland-focused, AIM quoted company.

In Section 4 below, I set out the rationale for the proposed restructuring of the Alba Group. First of all, however, I would like to present my review of the past year.

This time last year I wrote in my Chairman's Statement about the impact COVID-19 was beginning to have on our 2020 field exploration plans. I think it is quite illuminating to look at some of those statements again through the lens of the past 12 months.

I said at the time that "*the rapidly developing situation in relation to the COVID-19 pandemic has placed some considerable doubt upon our ability to execute [our field] programmes in full this year*".

I also referred to the impact the COVID-19 pandemic had had on global stock markets, and how Alba's share price had been caught up in the "*cross-winds of [a] sudden slump in investor confidence across the board*". I also expressed the view that while these market conditions continued to hold, "*our ability to raise capital through the equity markets must now be considered severely constrained*".

As to whether the pandemic put paid to some of our field plans in 2020, it is undoubtedly the case that they did, in Greenland at least. We put our plans to drill the Amitsoq Graphite Project on hold and focused our efforts instead on those sites which we could more readily access, most notably of course the Clogau-St David's Gold Mine in Wales.

As to whether our ability to raise capital remained constrained through 2020 and our share price in the doldrums, I am pleased to say that neither proved to be the case by the time the year was out. The second half of 2020 saw us raising money at ever increasing prices, testament to the great results we were getting at Clogau. And our share price recovered from a low of 0.05p in March 2020 to a high for the financial year of 0.54p in September 2020, a rally of more than 10 times. While our share price has recently come off those highs, it still represents a dramatic improvement on the position which prevailed this time last year.

As for COVID-19, things seem to be improving finally, after what has been a particularly bleak time for us all here in the UK. As for Greenland, we are hopeful that the travel restrictions there will start to be lifted sufficiently in the next few months to enable us to get our drill teams and rigs into the country this summer so that we can drill both the Amitsoq Graphite and the Thule Black Sands Ilmenite Projects. Mark Austin, our Senior Geologist & COO, and his team are busy putting the final touches on those drill programmes as I write.

CHAIRMAN'S STATEMENT

1.2 DETAILED REVIEW OF THE 2020-21 FINANCIAL YEAR AND SUBSQUENT ACTIVITIES

(a) CLOGAU-ST DAVID'S GOLD MINE, WALES

We have made great progress at Clogau-St David's in the past 12 months towards our goal of getting the Mine back into commercial production. A number of milestones have been reached in that time:

Underground Drilling
A phase 1 underground drilling programme was successfully completed, with seven drill holes completed for a total of 560 metres. All seven drillholes intersected quartz veining, the known geological setting of all historic gold production at the Clogau-St David's Gold Mine, validating Alba's geological model, with gold assays returning grades up to 1.79 g/t. Alba believes the drilling to have intersected a 550-metre westerly extension to the Main Lode, the source of most historic production at the Clogau-St David's Gold Mine.

Surface Drilling
A phase 1 surface drilling programme was successfully completed, targeting a zone below the Llechfraith mine area. While it had originally been planned to drill only three holes from the first collar location, the success of the first holes in hitting significant quartz veins within about a 15-metre zone of one another has led the Company to the belief that this indicates the presence of a significant vein system below the deepest previously worked zone at the Llechfraith mine area. As a result, we ended up drilling a total of ten holes from this same location, which has enabled us to more clearly define the significant dimensions of this lode system.

Alba now projects the newly identified vein system as having a strike extent of up to 52 metres, as well as extending 122 metres below the deepest previously worked zone at the Llechfraith mine area.

In April 2021 we announced the assay results from this phase 1 surface drilling campaign. Gold mineralisation was confirmed across several individual zones up to one metre thick, with individual values up to 4.25 g/t. The intersection of values strongly reinforces our view that the newly modelled zone, which we are calling the Llechfraith Lode, is a key target for future development and production at Clogau-St David's. The results add weight to our objective to dewater the Llechfraith Shaft as soon as possible to allow direct access to the on-reef development.

Also in April 2021, we announced that we had started the second phase of the Company's surface drilling programme at Clogau-St David's. This phase of drilling is targeting what we believe to be the westerly, 550-metre extension to the Clogau Main Lode, which was identified during the underground drilling last year (see above). This programme is currently ongoing.

Bulk Sampling
A phase 1 underground bulk sampling programme was successfully completed, with seven bulk samples collected for a total of 36 tonnes of material. The processing of a small quantity of that bulk sample at a third-party processing facility validated the Company's process flowsheet and confirmed the production of a 20.7 grams per tonne gold concentrate.

The Company purchased and installed new items of plant at the mine site, notably an impact crusher and gold concentrator. The Company's dedicated pilot gold processing plant became fully operational in January 2021.

Pitting of Waste Rock Dump

In April 2021 we carried out evaluation pitting of the historic waste rock dump at Clogau-St David's. The waste rock dump contains material derived from the internal development of the Mine during past periods of production. The dump is estimated to cover about 30,000 square feet and to contain 20,000 tonnes of rock. Several pits were dug, with around 15 tonnes of material extracted per pit. The material was then screened and a sample of the finer material from each pit sent for gold assaying offsite. Results are awaited.

Llechfraith Dewatering

After the year end we submitted an application for a bespoke water discharge permit to allow the lower workings in the Llechfraith Shaft to be dewatered so that we can then undertake underground drilling and bulk sampling directly from that key zone.

Regional Exploration

The completed first phase of surface trenching validated our regional geological model, by uncovering multiple quartz veins in the target area identified during Alba's extensive soil sampling programme, including a 2.1 metre width quartz vein, comparable with the widths of the worked veins in the Clogau-St David's Gold Mine. While the assays only returned low-grade anomalism, this is not unexpected given the irregular distribution of gold through the Clogau vein system.

Permitting

The Crown Estate agreed to extend the duration of our exclusive exploration licence over the Clogau-St David's Gold Mine. We had originally been awarded a six-year exclusive exploration licence, termed an Option Agreement, with effect from 10 February 2015. The licence has now been extended for a further four years (until 9 February 2025), being the maximum extension possible under the terms of the original licence. As and when we are ready to proceed to commercial production, we will apply to convert the exploration licence into a formal, long-term lease.

(b) GWYNFYNYDD GOLD MINE, WALES

Towards the end of the year, we were awarded the exclusive exploration rights to the Gwynfynydd Gold Mine in north Wales for a period of six years. The Gwynfynydd Gold Mine is the second largest producer of gold in the UK's history, after the Clogau-St David's Gold Mine. With this award, Alba now has the exclusive exploration rights over the entire length of the Dolgellau Gold Belt.

The Gwynfynydd Gold Mine has historically produced around 45,000 ounces of gold at a mining grade of 15 grams/tonne. Commercial operations at Gwynfynydd ceased in 1999 when the gold price was only around US$300 per ounce. Gwynfynydd shares many of the same geological and mineralogical characteristics of Clogau, enabling Alba to roll out the same modern exploration and development methods which have been successfully deployed at Clogau-St David's.

(c) GREENLAND MINING PROJECTS

Work at our mining sites in Greenland was severely constrained during the year due to travel restrictions imposed by Greenland in the face of the Coronavirus pandemic.

Thule Black Sands Ilmenite Project (TBS)

TBS benefits from an existing defined JORC-compliant Inferred Mineral Resource of 19 million tonnes at 43.6% Total Heavy Minerals, with an in-situ ilmenite grade of 8.9%, one of the highest in-situ grades of any ilmenite project in the world.

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Mineral sands specialists IHC Robbins were appointed to carry out a comprehensive metallurgical process development and test work programme on a bulk sample which we collected from TBS during the last field programme there. The test work programme is designed to confirm the ilmenite products to be produced from TBS ilmenite and to provide product samples to enable potential customers and offtake partners to carry out their own confirmatory analyses.

Amitsoq Graphite Project

In relation to Amitsoq, during the year graphite specialists ProGraphite of Germany undertook a test work programme in relation to Amitsoq graphite. This reaffirmed that the graphite content of Amitsoq ore is very high, indeed amongst the highest found in flake graphite deposits globally. It also demonstrated that a >96% graphite concentrate can be produced and that purification test work confirms the suitability of Amitsoq graphite for Lithium-Ion Batteries ("LIBs"), with standard alkaline purification, in particular, achieving a carbon level of above 99.95%, the grade needed for the production of spherical graphite for LIBs. LIBs are already the fastest growing market for flake graphite, with massive growth rates forecast for the next decade.

Alba also commissioned Dr John Arthur CGeol, FGS, to prepare an Exploration Target for the Amitsoq Project. Dr Arthur has determined that the volume and grade ranges for:

(a) the Amitsoq Deposit Exploration Target are between 1.7 and 4.5 million tonnes (assuming a density of 2.63t/m3) with a grade range of between 24-36% Graphitic Carbon; and

(b) the Kalaaq Deposit Exploration Target are between 4.0 and 7.0 million tonnes (assuming a density of 2.63t/m3) with a grade range of between 23-29% Graphitic Carbon.

This translates into a tonnage estimate of between 408,000 and 1,620,000 tonnes for the Amitsoq deposit and between 920,000 and 2,030,000 tonnes for Kalaaq and gives us great confidence as we move into the drilling phase at the Project.

Legal & Regulatory

In response to the COVID-19 pandemic, the Government of Greenland decided to reduce to zero the exploration expenditure obligations for all mineral exploration licences for both 2020 and 2021 and to extend the duration of all existing licences by two years to reflect the difficulty of progressing exploration projects in Greenland since last year. All of Alba's Greenland exploration licences have therefore benefited from these measures in full.

During the year, we decided to reduce some of our exploration landholdings in Greenland, reducing our Amitsoq, Inglefield and Melville Bay licence areas. These reductions did not affect any of the key areas of interest across our licences. Expenditure commitments in Greenland are largely a function of the size of licences held, so this process of regular review and refinement allows us to keep our expenditure commitments under control. No changes were made to the licence area for Alba's 100% owned TBS.

(d) LIMERICK BASE METALS PROJECT

After the year end, the mineral exploration licence for our 100% owned Limerick Base Metals Project, PL 3824, was renewed until 26 May 2022. A prospectivity review of the licence area has identified the Coonagh Castle Fault as one of main faults transecting the Limerick Basin and concluded that being able to determine the trace of the fault to within tens of metres on surface is crucial to the success of future drilling.

Subsequent interpretation of Tellus and satellite (Sentinel) imagery for the Alba licence area has identified three principal exploration target areas within PL 3824, each exhibiting a number of the structural and geological features found in Zinc-Lead deposits in the Irish Zinc Ore Field.

These results support Alba's decision to renew PL 3824 and to recommence exploration activities at the Project.

(e) HORSE HILL OIL FIELD, ENGLAND

During the year, various interventions were made to the Horse Hill-2z ("HH-2z") horizontal well by the Operator, Horse Hill Developments Limited ("HHDL"), under the management of its major shareholder, UK Oil & Gas Plc ("UKOG"), to stop the ingress of formation water which was inhibiting oil production. However, ultimately UKOG was not able to resolve these issues sufficiently well.

While UKOG initially reported that it was reviewing a number of options for the future use of HH-2z, after the end of the year it confirmed that it planned to reconfigure HH-2z into a water re-injection well as soon as practicable, subject to regulatory consent. The reasons given for this were that it would remove the need for costly off-site water disposal and also help maximise oil recovery from HH-1 by supporting reservoir pressure.

While it is disappointing that HH-2z was not successful as an oil producer, Alba's technical team had flagged concerns from the outset as to the significant challenges that lay ahead in UKOG attempting to drill a horizontal well into this reservoir. While we would have much preferred not to be proven correct in this particular instance, it should also be said that in our view the failure of HH-2z has no bearing on the merits of drilling successive vertical wells into both the Portland and Kimmeridge oil pools, and I return to this subject below.

As for the original Horse Hill-1 well ("HH-1"), an intervention was completed to reperforate the full Portland oil-producing section, and this was followed by an ongoing series of production optimisation trials. UKOG reported after the year end that these trials are expected to continue for several months but that the early results were encouraging, with stable water influx levels achieved by the end of 2020.

During the year, the Oil and Gas Authority ("OGA") approved the Horse Hill Field Development Plan ("FDP") and consented to the start of long-term production from the field. This key consent should enable net recoverable reserves to be allocated to the field, which is important for future potential debt-based funding for the field.

In January 2021, UKOG reported that the Horse Hill Oil Field had to date produced and exported over 132,000 barrels of Brent quality crude from its Kimmeridge and Portland oil pools. It also reported that it had completed the interpretation of data from the November 2020 pressure build-up ("PBU") test sequence, confirming the HH-1 connected oil in place volumes of 7-11 million barrels previously reported in October 2018. The PBU data also helped to identify a potentially significant contribution to Portland fluid flow from a natural fracture system. UKOG reported that the integration of the PBU data, HH-2z rock data and a revised seismic interpretation has provided a far better understanding of the Portland reservoir. As a result, it reported that several significant infill drilling opportunities have been identified in the Portland oil pool, all up-dip of HH-1 (i.e., at a shallower depth within the oil pool) and significantly above the oil-water contact.

CHAIRMAN'S STATEMENT

UKOG also reported that further development of the Kimmeridge oil pool remains a significant objective. It announced plans to drill an infill well to determine the lateral extent of the Kimmeridge oil pool, proven by HH-1 to lie within a natural fracture system of significant vertical extent. It said that the Kimmeridge HH-4 well, also situated up-dip of both HH-1 and HH-2z, is likely to be a highly inclined or "slant" well, so as to maximise the number of open fractures penetrated. UKOG reported that it expected to drill these Portland (HH-3) and Kimmeridge (HH-4) infill wells following its completion of an appraisal drilling campaign on another project (unrelated to Horse Hill).

We are encouraged by UKOG's revised strategy for the exploitation of the Horse Hill Oil Field. Their confirmation of the connected oil in place volumes of 7-11 million barrels from the Portland oil pool alone highlights the untapped production that remains in the Portland, production that cannot hope to be fully realised from HH-1 alone. The plans, therefore, to drill another two vertical wells up-dip of HH-1 are welcome, not least in the light of the sustained rally in the oil price over the past year or so.

Also encouraging is the Operator's reaffirmation of the potential of the Kimmeridge oil pool. HH-1 has already proven the Kimmeridge's ability to contribute substantial production to the overall field, so there is certainly merit in testing the Kimmeridge's producibility from a new vertical well. We look forward to UKOG delivering on this revised and reaffirmed strategy for enhancing production and delivering on the inherent value of the Horse Hill Oil Field.

Following a review carried out by the Company in connection with the preparation of these accounts, the Directors have determined that the fair value of the Company's investment in HHDL should be revised down to a figure of £4,000,000 (2019: £5,430,000). The Directors commissioned a third-party market-based valuation of Alba's investment. For further details see Note 10.

2. CORPORATE AND FINANCIAL

During the year, we announced that we had entered into an unsecured financing of up to £767,000 (which could be increased by mutual consent to up to £1,054,500) with US-based institutional investment fund, Bergen Global Opportunity Fund, LP (the "Investor") (the "Financing"). The Financing was structured by way of the issue by Alba to the Investor of up to five unsecured convertible securities, the first issued at a discount with the subsequent four at zero-coupon. The Financing was structured in such a way as to provide Alba with access to capital at regular intervals over a period of 18 months, allowing us to fund key value-enhancing work activities across our mining portfolio.

In March 2020, we announced that we had closed the first tranche of funding under the Financing, with Alba issuing the first convertible security referred to above and receiving payment of £192,000 from the Investor. However, in October 2020 we announced that we had terminated the Financing and would not be issuing any further convertible securities or receiving any further funding under it. While the Financing had provided the Company with access to a significant capital runway and timely access to funding, given that the onset of the Coronavirus pandemic in early 2020 had resulted in the capital markets becoming severely constrained for secondary placings. Once the markets had stabilised, however, we found ourselves able to raise money more competitively by undertaking straight share placings through our new brokers, ETX Capital, rather than via the funding line available under the Financing.

Through ETX Capital, we raised £450,000 in early August 2020 (at a placing price of 0.065p), £1.3 million in September 2020 (placing price: 0.275p) and £1.2 million in November 2020 (placing price: 0.375p). Each placing included attaching warrants on the basis of 1 warrant for every two shares issued, with the warrant exercise price set in each case at a 100 per cent premium to the placing price. To date, a further £742,100 has been raised through the exercise of share warrants.

CHAIRMAN'S STATEMENT

During the year, Mark Austin joined us as Alba's Senior Geologist. Mark has significant management and operational experience in a career spanning four decades across a range of commodities, but with a particular focus on gold. Mark's experience includes being a Non-Executive Director at Central Rand Gold Limited (2015-2017), Group Geologist for Goldplat plc and CEO of its subsidiary Kilimapesa Gold (Kenya) (2007-2013), Vice President-Exploration for Mano River Resources Plc (2006-2007) and Senior Exploration Geologist for Placer Dome Exploration (Africa-Eurasia) Ltd (2005-2006). Towards the end of the year, we announced that Mark had been appointed as Alba's Chief Operating Officer.

In December 2020, we strengthened our Board through the appointment of Elizabeth Henson and Lars Brünner as Non-Executive Directors. Elizabeth was, from 2007-2019, a senior international tax partner for PricewaterhouseCoopers LLP (PwC), based in London. As for Lars, from 2014-2020 he was the Arctic Mining and Environment, Business Development Leader for Golder Associates A/S, a leading international mining and environmental consultancy firm. These high-calibre appointments are indicative of Alba management's determination to keep pushing the Company in the right direction and striving for excellence on all levels, both in the quality of our projects, in our technical work and in the depth of our management team.

At the same time, Manuel Lamboley stepped down from the Alba Board and took up a consultancy role for the Company, advising Alba on access to European markets and joint venture partners.

3. EVENTS AFTER THE REPORTING PERIOD

Key announcements after the reporting period are noted in Section 1 (Review of Activities) and Section 2 (Corporate and Financial) above, and in Note 24 to the accounts.

4. OUTLOOK

The outlook for Alba is strong. We intend to spend the next six months or so continuing our push to prove up sufficient new mineralised zones at Clogau-St David's to make a compelling case for bringing the Mine back into commercial production.

As I write, we are putting the finishing touches on summer drilling programmes for both the Thule Black Sands Ilmenite and Amitsoq Graphite Projects in Greenland. While we are not yet certain that Greenland's current Coronavirus measures, notably the restrictions on travel into the country, will allow these programmes to proceed, and we also recognise that a spike in cases may lead to additional restrictions being imposed, as things stand we are confident that these drilling programmes will go ahead. The drilling at TBS will be aimed at significantly increasing our JORC Resources there, as well as moving some of our existing Inferred Resources into the Indicated category, meaning that they can be stated with a higher level of confidence. With this achieved, we will be able to start planning in earnest to move the TBS project into the development phase, including commencing discussions with potential offtake partners.

At Amitsoq, drilling will be aimed at defining a maiden JORC Resource for the project. This, together with the excellent results we obtained in a test work programme which was conducted in Germany, will position Amitsoq for fast-track development and to capitalise on the surge in demand for battery-grade graphite emanating from the electric vehicle sector.

Our focus at Alba has always been about building sustained value and growth for our shareholders. With that in mind, we have been exploring how best to unlock value in those of our assets in our portfolio which we consider to be undervalued. Most pertinently, this applies to our Greenland mining project portfolio ("**Greenland Projects**"). This includes two assets with particularly strong potential, Amitsoq (graphite) and Thule Black Sands (ilmenite), plus one other, Melville Bay (iron ore), which deserves renewed attention given the significant rally in the iron ore price over the past 12 months.

CHAIRMAN'S STATEMENT

One way to unlock greater value in our Greenland assets would be to enter into a joint venture with third parties. This would set a market price for the Greenland Projects and provide a validation of their potential by virtue of a third party committing to spend money on them. There are, however, many uncertainties in going down this route, prime among them of course being that there is no guarantee that we would be able to conclude joint ventures on acceptable terms.

After assessing all the alternatives, the Alba Board has determined that the best way to unlock real value in our Greenland assets is to divest the Greenland Projects into a separate vehicle which, subject to regulatory approval, will be admitted to trading on AIM ("**Greenland Listco**"). It is intended that Greenland Listco will acquire the Greenland Projects (see Table 1 below) for shares and simultaneously undertake an IPO (Initial Public Offering) fundraising to secure the necessary working capital to fast-track the development of the Greenland Projects.

Table 1: The Greenland Projects

Project	Exploration Licence	Historic cost at 30 November 2020
Amitsoq Graphite Project	MEL 2013-06	£788,360
Thule Black Sands Ilmenite Project	MEL 2017-29	£587,766
Inglefield Land Multi-Element Project	MEL 2018-25	£199,412
Melville Bay Iron Project	MEL 2017-41	£112,061

The rationale for a stand-alone listing for our Greenland assets is:

(1) That the Board consider the Greenland Projects to be materially undervalued within the current Alba asset portfolio.

(2) Moving the Greenland Projects into a new listed vehicle will allow the market to set a clear value for those assets in isolation rather than as part of a larger pool of diverse mining, oil and gas and exploration assets, as is currently the case. The potential for obtaining a significant stand-alone valuation is evident, when one has regard to the market capitalisations of other listed mineral exploration and development companies whose principal mining assets are in Greenland (see Table 2 below).

Table 2: Greenland-Focused Listed Mining Companies (information as at 14 May 2021)

Company	Market	Market Cap	GBP Equivalent	Main Project	Status
Bluejay Mining Plc	AIM	GBP £90m	£90m	Dundas Titanium	Development
Greenland Minerals & Energy Limited	ASX	AUD$127m	£70m	Kvanefjeld REE-Uranium	Development
AEX Gold Inc	AIM and TSX-V	GBP £51m	£51m	Nanulaq Gold	Development
Hudson Resources Inc.	TSX-V	CAD$29m	£17m	White Mountain Anothorsite	Exploitation
Ironbark Zinc Limited	ASX	AUD$26m	£15m	Citronen Lead-Zinc	Exploration
North American Nickel Inc	TSX-V	CAD$29m	£17m	Maniitsoq Nickel	Exploration

As can be seen from Table 2, the only other Greenland-focused vehicle quoted solely on AIM is Bluejay Mining Plc (market capitalisation of £90m at 14 May 2021), whose ilmenite project, Dundas, is on the same coastline as the Thule Black Sands ilmenite deposit. The Board of Alba is of the view that, given the plan to drill a more sizeable JORC-compliant Resource at Thule Black Sands this year, there is great potential for Greenland Listco's market capitalisation to increase significantly following the completion of the drilling programme.

(3) Alba will retain substantial upside in the Greenland assets post disposal because, in consideration for the sale of the assets to Greenland Listco, Alba will receive a significant shareholding in Greenland Listco. Further, as Greenland Listco's management team will be focusing all its efforts on growing the value of its Greenland asset portfolio, we would hope to see Alba's stake in Greenland Listco also grow ever more valuable.

(4) At the same time as retaining that upside through its stake in Greenland Listco, Alba would no longer have to meet any of the funding obligations for the Greenland Projects. These are likely to be significant in the medium to long-term, as Greenland Listco seeks the development capital to progress at least one, if not more, of its projects into the development stage and ultimately into production.

(5) Not having to fund the Greenland Projects will inevitably mean less dilution for Alba shareholders, as it would significantly reduce our need to seek further capital from the public markets.

(6) With the Greenland Projects divested, Alba will be able to focus on its UK and Irish portfolio of precious and base metal projects which, in our view, are what have fired the Company's growth over the past 12 months.

(7) Greenland Listco will, in turn, be able to focus solely on the development of its Greenlandic assets, including raising money from investors and institutions who are specifically interested in those assets and/or in Greenland and therefore much more likely to be long-term investors. Greenland is expected to play an increasingly important strategic and geopolitical role on the world stage and in the global mining sector in the coming years. With its pure Greenland focus, Greenland Listco will be able to benefit from this increased exposure and interest in the country from foreign investors and sovereign states.

(8) Looking to the future, Alba may choose to sell down some of its stake in Greenland Listco, once the post-IPO lock-in period has expired, or it may decide to retain its shares in Greenland Listco for the long-term or, at least, until its stake in Greenland Listco has increased significantly in value. The point is that, as a result of the disposal, Alba's stake in the Greenland Projects would become a liquid, tradeable asset, which in itself could add significant value to the Alba Group's balance sheet. This is not the case at present, with those assets being held within the Alba Group and being valued purely on a historical cost basis.

For all these reasons, the Alba Board has concluded that the case for divesting of the Greenland Projects into a Greenland-dedicated listed vehicle is an overwhelmingly strong one. We will, therefore, be seeking the admission of a new English public company to the AIM market, subject to the necessary regulatory approvals. That company will own 100% of the Amitsoq Graphite, Thule Black Sands Ilmenite, Melville Bay Iron and Inglefield Multi-Element Projects. The name chosen for Greenland Listco will be disclosed in due course.

Further announcements will be made as the transaction progresses towards completion.

Finally, I would like to take this opportunity to thank our shareholders for all their support and encouragement over the past 12 months, during which we have all had to face unprecedented challenges. Rest assured, however, that the Alba Board has emerged stronger and more determined than ever to make Alba a great success story.

George Frangeskides
Executive Chairman
19 May 2021

Alba Mineral Resources plc

STRATEGIC REPORT

The Directors present the strategic report for Alba Mineral Resources plc for the year ended 30 November 2020.

References to the "Company" or "Alba" are to Alba Mineral Resources plc and references to the "Group" are to Alba collectively with its Subsidiary Companies (as listed in Note 11).

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 own and operate mining projects in Greenland (graphite, ilmenite, base metals, gold and iron ore), Wales (gold), and Ireland (base metals), as well as having investments in the onshore UK oil and gas sector.

The Directors believe that the Group's asset and investment portfolio provides access to a range of assets with potential to add significant value for the Company's shareholders in the long-term. Our strategy, where possible, is to target assets that have a production history and are in stable jurisdictions, and which thereby offer real potential to be brought into commercial production. A review of activities is given in the Chairman's Statement on pages 2-10.

The key challenge for the Company is identifying the most effective, including the most cost-effective, methods for progressing mineral exploration activities at our projects, with the aim being to materially advance the level of knowledge and confidence in the potential of our projects and thereby justify the committing of further resources to progress those projects rapidly through exploration and into the development phase.

Principal risks and uncertainties for the group are two-fold:
(i) funding risk and the ability to raise funds to further exploration activities; and
(ii) exploration risk, i.e. the risk that exploration programmes are not successful.

Both funding risk and exploration risk can be materially increased by the impact of international geopolitical, financial and public health developments. Notably, the continuing global Coronavirus (COVID-19) pandemic may adversely affect the Company's ability to implement its planned overseas exploration programmes for the coming year, whether due to the resulting logistical challenges, such as the curtailment of international flights or other restrictions imposed by individual countries, or because of the unavailability of exploration personnel, equipment or materials.

FINANCIAL REVIEW

Income Statement
The reporting period saw a reduction in Administration expenses from £772,849 during the period ending 30 November 2019 to £543,942 during the period ending 30 November 2020. There is no single reason for this reduction, rather various costs being reduced during the uncertainties of the COVID-19 pandemic. Additionally the recovery of a previously impaired debt and the award of associated costs, plus a local council small business grant, reduced the overall admin expenses.

There were no impairment charges to intangible assets during the period. However, the value of the Group and Company's 18.1% investment in Horse Hill Developments Limited was written down by £1,430,000 from £5,430,000 to £4,000,000. The basis of this valuation is discussed further in Note 10 to the Accounts.

Financing costs arose from the convertible loan note arrangement with Bergen Asset Management. These costs include values attributable to warrants and fee shares issued as part of the arrangement plus the termination fee to exit the arrangement, when COVID-19 market uncertainty settled and funding became available to the Group from other sources.

Balance sheet
Successful placings during the period, as per the Chairman's Statement, led to a substantial cash balance of £1,512,031 at 30 November 2020 compared to £211,333 at prior year end. Trade receivables included a significant debtor of £1,128,000 relating to the placing announced on 25 November 2020. These placing funds were received on 1 December 2020. Combined, these have driven the change in the balance sheet from a net current liability position at 30 November 2019 to a net current asset position this year end.

Intangible assets increased by £475,887 year on year. COVID-19 restrictions prevented activities in Greenland during the year, but we were able to continue activities in Wales and the majority of these additions related to the Clogau Gold Project.

Group net assets increased to £10,047,211 at 30 November 2020 from £8,375,804 at 30 November 2019. This was despite an impairment of £1,430,000 of the Group's investment in Horse Hill Developments Limited, which is valued at a fair value of £4,000,000 at year end. For further details of this valuation see Note 10 to the Accounts.

KEY PERFORMANCE INDICATORS (KPIs)

At this stage in the Company's development, the Directors regularly monitor key performance indicators associated with funding risk, being primarily projected cash flows associated with general administrative expenses and projected cash flows on a project-by-project basis. This year the Company has been able to raise the funds as needed to finance its activities (see the Corporate section of our review of activities).

Performance of projects is assessed using measures specific to that project. As an exploration group with no production or proven reserves, evaluation is based on exploration results and technical reports and assessments. In the review of activities, we have identified for each project the exploration results or assessments that demonstrate the progress that is being made on that project. These assessments also inform our plans for future work and assist in determining how much of our funding we allocate to each project.

In the prior year, the Board identified the following specific KPIs or milestones considered to be material indicators of value having been added to the Company:
(i) either that a maiden mineral resource estimate is announced in respect of at least one of Alba's projects or that the declared level of Resources on any project is increased; and
(ii) that at least one project which the Board determines during the course of the year to be non-core is joint ventured to a third party or divested in whole or in part.

In relation to the Company's other assets, the KPI of declaring a mineral resource estimate is not an appropriate measure of progress at the Clogau-St David's Gold Mine. Regarding the second KPI, the Board has commenced a process to divest the Greenland part of the portfolio into a new, Greenland-focused listed vehicle, as detailed in the Chairman's Statement on page 8.

For the coming year, the Board will apply the following KPIs:

(i) either that a maiden Mineral Resource estimate is announced in respect of at least one of Alba's projects or that the declared level of Resources on any project is increased; or
(ii) that an exploration target is declared for Clogau or Gwynfynydd or one or more new mineralised zones is discovered at Clogau or Gwynfynydd; or
(iii) that the Company submits a formal planning application for the opening of the Clogau-St David's Gold Mine for commercial production.

Alba Mineral Resources plc

STRATEGIC REPORT

Section 172(1) Statement

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

At Alba, our focus is always on building sustained value and growth for our shareholders. The application of the s172 requirements can be demonstrated in relation to the some of the key decisions made during 2020, as follows, some of which are already covered in the Chairman's statement:

- extending the Group's reach in the Dolgellau gold belt by successfully applying for an option to explore the Gwynfynydd gold mine and the wider gold belt, giving the Group exclusive rights over that area;
- investing in plant to part-process sampling on site, with a view to long term activities and reducing processing time and costs;
- capitalising on interest in the Clogau gold project to obtain funding to progress development across the portfolio;
- continued assessment of corporate overheads and expenditure levels to best direct the Group's spend to investing in its projects;
- using Twitter as a channel to more widely engage with shareholders (within the AIM disclosure guidelines), for example canvassing opinions on Group projects;
- engaging with the community – for example Alba's Executive Chairman attended a virtual meeting of a local Community Council in north Wales to update the councillors about Alba's work at the Clogau-St David's Gold Mine and take questions. Our site team also keeps local residents updated on activities and addresses their legitimate concerns;
- using local suppliers and staffing where possible;
- liaising closely with local regulatory and environmental bodies and professional advisers to ensure that the Group's activities are properly permitted and approved. Our operations in Wales are all undertaken in accordance with all applicable planning, environmental and ecological regulations, and we work closely with Snowdonia National Park Authority ("SNPA") and Natural Resources Wales ("NRW") on those matters;
- commencing the process to transfer some of Alba's assets into a new vehicle in order to unlock value in Alba's project portfolio and enable to projects to be developed faster, streamlining the portfolio but at the same time retaining a significant investment in the new vehicle in order to obtain the best value for Alba shareholders; and
- in response to COVID-19, implementing new working practices on site to best protect employees.

In respect of acting fairly between members, the Directors note that equity financings are typically managed by the Company's appointed corporate brokers who are responsible for book-building on each private placement undertaken for the Company. As a junior resource company, it is prohibitively expensive to undertake rights issues whereby all existing shareholders are given the opportunity to participate in an equity financing, which is why the Company expects to undertake future equity financings by way of private placements. However the Company will keep this under regular review.

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

George Frangeskides
Executive Chairman, 19 May 2021

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of Alba Mineral Resources plc for the year ended 30 November 2020.

References to the "Company" or "Alba" are to Alba Mineral Resources plc and references to the "Group" are to Alba collectively with its Subsidiary Companies (as listed in Note 11).

RESULTS AND DIVIDENDS

The loss of the Group for the year, after taxation, attributable to equity holders of the parent amounted to £2,078,897 (2019: £1,311,172 loss).

The Directors do not recommend the payment of a dividend (2019: £nil).

DIRECTORS

George Frangeskides, Michael Nott and Manuel Lamboley served as Directors throughout the year.
Manuel Lamboley resigned from the Board on 8 December 2020 and two new non-executive directors, Elizabeth Henson and Lars Brünner, were appointed on the same date.

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 21).

EVENTS AFTER THE REPORTING PERIOD

See Note 24 and the Chairman's Statement on pages 2-10.

FUTURE DEVELOPMENTS

See Chairman's Statement from page 2.

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
19 May 2021

Alba Mineral Resources plc

DIRECTORS' RESPONSIBILITIES STATEMENT

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.

CHAIRMAN'S STATEMENT OF COMPLIANCE WITH THE QCA CORPORATE GOVERNANCE CODE

The Board of Alba Mineral Resources plc ("Alba" or the "Company" and, together with its subsidiaries, the "Group") is responsible for the direction and oversight of all of the Company's activities. The Board seeks, through effective and efficient decision-making, to ensure that the Company is managed for the long-term benefit of all shareholders. Ensuring good standards of corporate governance is an important part of the Board's role, with the twin objectives being to reduce risk and at the same time to add value to our business.

The Board has adopted the Quoted Companies Alliance Corporate Governance Code (the "Code") in line with the AIM Rules for Companies ("AIM Rules") which require all AIM-quoted companies to adopt and comply with a recognised corporate governance code. The Code is available at www.theqca.com. The Code sets out 10 principles that should be applied. How Alba complies with those principles currently is set out below. As required by the Code, we will provide annual updates on our compliance with the Code.

At this stage in the Company's development, the Board does not comply with the principle of the Code which concerns the composition of the Board (see Principle 5). As projects and investments are advanced and as resources allow, the Board will actively seek to move towards full compliance with the Code.

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

Alba owns and operates mining projects in Greenland (graphite, ilmenite, base metals, gold and cobalt), Wales (gold), and Ireland (base metals), as well as having investments in the onshore UK oil and gas sector. As discussed in the Chairman's Statement on pages 2-10 of these Report and Accounts Alba intends to divest of its Greenland assets into a new, Greenland-focused AIM-quoted entity, with Alba thereby acquiring a major shareholding in the new entity.

Our strategy, where possible, is to target assets that have a production history, in stable jurisdictions, and which thereby offer real potential to be brought into commercial production.

The Board believes that the Group's diversified asset and investment portfolio provides access to a range of assets with potential to add significant value for the Company's shareholders in the long-term. The Board also believes that the strategy of divesting of the Group's Greenland asset portfolio and becoming a major shareholder in a new, Greenland-focused AIM-quoted entity has the potential to add significant long-term value for Alba shareholders, for the reasons given in on pages 9-10 of the Chairman's Statement.

The key challenge for the Company is identifying the most effective, including the most cost-effective, methods for progressing mineral exploration activities at our projects, with the aim being to materially advance the level of knowledge and confidence in the potential of our projects and thereby justify the committing of further resources to progress those projects rapidly through exploration and into the development phase. The expertise of the current Board and management team, and the breadth of their contacts within the natural resources sector, will assist the Company in meeting this challenge.

Principle 2: Seek to understand and meet shareholders' needs and expectations

The Board appreciates that it is accountable to shareholders for the performance and activities of the Company and, to this end, is committed to providing effective communication with Alba shareholders. We publish all regulatory news promptly through the London Stock Exchange's Regulatory New Service ("RNS") and on our website and we maintain a database of shareholders and other interested parties who have subscribed via our website to receive our newsletters and updates. The Group is also active on social media via Twitter, and the Executive Chairman regularly participates in interviews on investment channels such as Vox. The Group has also held two investor webinars in the last 12 months. These have been well attended and have been an invaluable alternative to in-person events during the restrictions in place this year.

CHAIRMAN'S STATEMENT OF COMPLIANCE WITH THE QCA CORPORATE GOVERNANCE CODE

Shareholders can contact the Company via info@albamineralresources.com or @AlbaMinerals on Twitter. The Board welcomes feedback from shareholders as this helps Alba to better communicate our activities and, where possible, to deal with any misconceptions in the investment market. We are constrained, however, when responding to shareholder enquiries, by the requirements of the AIM Rules, and in particular the need to avoid making selective disclosure of material, non-public information.

The Board maintains regular contact with the Company's advisers, notably our Nominated Adviser (or "Nomad"), Cairn Financial Advisers, and our retained broker, which also assists the Company in understanding of the views of shareholders and the wider investment market.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board acknowledges that the long-term success of the Company is reliant on the efforts of employees and contractors, suppliers and other stakeholders. As a natural resources company, we feel that we have a responsibility to engage openly, transparently and effectively with community stakeholders and local and national government agencies in the countries in which we conduct operations. The Board is keen to maintain an open dialogue and co-operation with key stakeholders as the Company seeks to advance its projects and investments. Our operations in Wales are all in accordance with all applicable planning, environmental and ecological regulations, and we work closely with SNPA and NRW on those matters. We have also attended a local community council meeting near our activities in north Wales, and management engages with local residents about any concerns.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board identifies, assesses and manages various risks in its decision-making and constantly evaluates the Company's risk tolerance as part of its strategy as an exploration company. These range from financial and legal risks, to environmental, exploration, regulatory and management risks, with the recent addition of COVID-19 related infection risk to overall health and safety risk management. The Board will also seek consultation with experts in any area where a particular risk is identified.

The financial risks to the Company are addressed in Note 21 to the accounts. This covers funding risk, credit risk, liquidity risk and market risk, all areas which are monitored closely by the Board with a focus on funding risk. Environmental and exploration risks are considered at project level and are constantly under review as project work is planned and undertaken. Some elements of regulatory risk are also project-specific and would be included within that review – local, regional and national regulations impacting on exploration activities.

Covid-related risks are a new part of the health and safety environment and again are addressed on a project-by-project basis and at a head office level.

Regulatory risk at a corporate level is addressed annually during production of the Company's Report and Accounts and also at other times such as when as notices are received from relevant regulatory bodies. This point is addressed further in Principle 10.

Management risks are mitigated by attracting talent and providing stability and continuity through appropriate remuneration and the awarding of long-term share options, plus a culture of openness within the team, so that all members of the management team feel comfortable in raising any risk-related issues with the Board and Chairman.

CHAIRMAN'S STATEMENT OF COMPLIANCE WITH THE QCA CORPORATE GOVERNANCE CODE

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their adequacy and effectiveness. These internal controls are designed to safeguard the assets of the Group and ensure the reliability of financial information for both internal and external use and publication.

Principle 5: Maintaining the Board as a well-functioning, balanced team led by the Chair

During the year ended 30 November 2020, the Board comprised the Executive Chairman and two Non-Executive Directors. One of these Non-Executive Directors, Manuel Lamboley, was considered to be independent. In December 2020 Manuel Lamboley stood down and two new independent Non-Executive Directors were appointed. The Board is now compliant with the Code in respect of having two independent Non-Executive Directors.

The Board is aware that the Code advises that save in exceptional circumstances the Chairman should not also fulfil the role of Chief Executive. At this stage of the Company's development the Board believes the combined role (with the Chairman acting in an executive capacity) is merited. This is kept under regular review with a view to moving to full compliance once the Company has achieved a significant, sustained increase in its market capitalisation.

The Board has a wide range of experience directly related to the Group and its activities and its structure ensures that no one individual dominates the decision-making process. The Board also regularly seeks third-party expert advice to support its decisions.

The Board meets on an ad-hoc basis as decisions are required, with regular Board meetings also held periodically. During the year, six scheduled Board meetings were held and all Directors were in attendance. Various ad-hoc meetings took place to approve specific actions, such as exercises of share warrants.

Each of the Directors has entered into a Service Contract or Letter of Appointment with the Company. Under the terms of these agreements, each Director has agreed to devote such time and attention as is necessary to carry out his responsibilities and duties as a director.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board currently consists of four Directors and, in addition, the Company employs Ben Harber of Shakespeare Martineau LLP to act as the Company Secretary. The Directors have a range of technical, commercial and professional skills and the majority have experience in the public markets. The Board also engages technical advisers whose specialism is in either mining or oil and gas and who are thereby able to assist the Board in making effective decisions in relation to the Company's projects and investments. During the year a new role of Chief Operating Officer (COO) was created and filled to support the Group's development of its mining assets.

Further information about the Directors' experience, skills, capabilities and personal qualities is published on our website and on page 22 below. The Directors attend industry forums and conferences, in addition to maintaining strong links within the minerals and investment communities through regular networking. The Company subscribes to minerals and mining publications for internal use and Directors are encouraged to maintain individual continuing professional education programmes in their respective disciplines.

In addition to its COO and oil and gas Technical Director (about whom further details can be found on the Alba website), the Company retains the services of auditors in the UK and in Greenland, a Nomad, broker and solicitors.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Internal evaluation of the Board and individual Directors is undertaken on an ad-hoc basis in the form of peer appraisal and discussions. A further evaluation, in the form of a Board effective questionnaire, is circulated to Board members each year.

Individual appraisals will be used to identify key corporate targets relevant to each Director, as well as personal targets appropriate to their role within the Company. From these reviews, the Board will determine what changes may need to be implemented to current roles and processes.

Given the current size of the Company, Board and senior management appointments are infrequent and subject to the individual being the right "fit" for the Company. The Board seeks prospective candidates via its network of contacts in the industry in the first instance and then via professional search agencies if required.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board recognises that it has a responsibility to set the corporate culture of the Company as a whole, and that sound and ethical behaviour will contribute to the success of Alba's projects and reputation. The Company operates internationally and as such is mindful of local cultures and practices when planning and carrying out activities. The Board also has in place an approved anti-bribery and whistle-blowing policy. Given the size of the Company, Alba's management remains close to the day-to-day operations and therefore better able to oversee the activities of the Company's representatives. As the Company grows, the Board will oversee the development of guidance on the Company's policies to be issued to new employees and contractors.

The Company has in place a share dealing policy for dealings in shares by Directors and senior employees in line with the framework set by the AIM Rules and the UK Market Abuse Regulation ("MAR") and also requires adherence to the same by key suppliers. In addition to abiding by the AIM Rules, as Alba operates in the natural resources sector, the AIM Note for Mining and Oil and Gas companies is applicable.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Ultimate authority for all aspects of the Company's activities rests with the Board. While the roles of Chairman and Chief Executive are not separated, the Board receives regular updates on activities both formally and informally and has unrestricted access to management and to the technical advisers of the Company. Each Board member also has access to the Company's solicitors and any independent professional advice they might need to discharge their duties effectively.

The Executive Chairman is the leading representative of the Company, presenting the Company's strategy to external interested parties. His responsibilities also include taking the Chair at Board Meetings and at General Meetings, where he is responsible for ensuring the appropriate supply of information. The Executive Chairman is also responsible for the development and execution of the Company's long-term strategy, overseeing matters pertaining to the running of the Company and ensuring that the Company meets all legal requirements and corporate responsibilities. The Non-Executive Directors do not have specific individual responsibilities or remits although they are all specialists in different fields and provide support to the Company in those areas.

All Directors sit on the Remuneration Committee, although a director whose performance, remuneration and employment terms are due to be discussed at such a meeting shall absent himself or herself from the discussion and not vote on any proposed terms which relate to him or her. The Remuneration Committee reviews the performance of the Executive Director(s) and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the Company's share option plan and the award of shares in lieu of bonuses pursuant to the Company's remuneration policy.

Audit Committee

The Audit Committee comprises Michael Nott, Lars Brünner and the Group's Head of Finance. Prior to 8 December 2020, Audit Committee matters were generally dealt with as part of Board Meetings. During the year one Audit Committee meeting was held and all members attended.

The new enlarged Board intends to continue to convene separate Audit Committee meetings during the year to cover relevant matters, strengthening its Corporate Governance framework in line with the QCA guidelines.

The principal duties and responsibilities of the Audit Committee include:

- Overseeing the Company's financial reporting disclosure process; this includes the choice of appropriate accounting policies
- Monitoring the Company's internal financial controls and assess their adequacy
- Reviewing key estimates, judgements and assumptions applied by management in preparing published financial statements
- Annually assessing the auditor's independence and objectivity
- Making recommendations in relation to the appointment, re-appointment and removal of the company's external auditor

Given the size of the Board, there is no separate Nominations Committee and therefore recommendations for appointments to the Board are considered by the Board as a whole.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

For details of the various channels Alba uses for communicating with shareholders, see Principle 2 above. Notices of AGMs and the results of voting on resolutions proposed at the Company's AGM are reported via RNS and recorded in the "Latest News" section on the Company's website. In the past five years, there has been no significant level of votes cast against any resolutions put to shareholders at the Company's AGM (where "significant" would mean at least 20 per cent of the votes cast being against a particular resolution).

Historical annual reports and interim results, corporate factsheets and presentations can be accessed via the Company's website and are released via RNS and therefore reported in the "Latest News" section of the website.

CHAIRMAN'S STATEMENT OF COMPLIANCE WITH THE QCA CORPORATE GOVERNANCE CODE

BOARD OF DIRECTORS

George Frangeskides, Executive Chairman
Mr Frangeskides has a broad range of experience gained from over 25 years in the legal and corporate advisory sectors in Australia and the United Kingdom. Prior to working in the mining sector, Mr Frangeskides practised as a lawyer in London and Sydney focusing on corporate finance, commercial and capital market transactions.
With his experience in mergers and acquisitions, Mr Frangeskides leads all corporate negotiations for the Company. He has an extensive network of contacts across the mineral exploration and investment sectors in the UK, Asia-Pacific, North America, Middle East and Far East regions, giving the Company wide exposure to both investors and potential investments.
A confident communicator, Mr Frangeskides regularly makes presentations about the Company and projects to the media and to shareholders.

Michael Nott, Non-Executive Director
Mr Nott is a geologist and mining engineer by profession and has over 40 years' experience in the oil and gas, mining, minerals and quarrying industries. His early career was based in Zambia, including nine years with Roan Consolidated Mines Limited. He was a regional manager for Pioneer Aggregates (UK) Limited, then an Australian company, and later a director of Jay Minerals Services Limited and Hills Aggregates Limited, becoming trading director of ARC (Southern) Limited and production director of C. White Limited.
Mr Nott draws on his extensive experience of both the mining industry and the corporate world to offer pragmatic advice to the Company.

Elizabeth Henson, Non-Executive Director
A recent appointment to the Board, Ms Henson was previously a senior international tax partner for PricewaterhouseCoopers LLP (PwC), based in London. She was the Founder and Leader of PwC UK's International Wealth business and is considered a leader in her field and has an established and substantial contact base consisting of some of the wealthiest entrepreneurs and high net worth individuals from the UK and across the globe.
Ms Henson was the 2018 Spears Private Client Accountant of the Year and won the Citywealth Powerwomen Awards Silver award for Woman of the Year - Leadership (Large, Institutional) in 2016, 2018 and 2019, among other awards. She has a huge amount of professional experience across a wide range of sectors and countries and her advice and input will benefit the Group as it looks to grow. Her financial background adds to the strength and depth of the Board.

Lars Brünner, Non-Executive Director
Another recent appointment to the Board, Mr Brünner was previously the Arctic Mining and Environment, Business Development Leader for Golder Associates A/S, the leading international mining and environmental consultancy firm.
He has been an Environmental Consultant for more than 25 years, during which time he has conducted numerous Environmental and Social Impact Assessments for a broad range of projects and developed a wide-ranging expertise in environmental legislation, natural resource management, monitoring and surveillance programmes.
Mr Brünner has an M.Sc. in Biology from the University of Copenhagen, Denmark. The Group will benefit greatly from his expertise in environmental compliance.

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 2020 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.

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 2020 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Nexia Smith & Williamson

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

Key audit matters

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.

<u>Valuation of investment in Horse Hill Developments Limited</u>

Description of the risks

As described further in note 1 under the heading "Accounting for Investment in Horse Hill Developments Limited - £4,000,000", the investment is stated at valuation; additionally the investment includes a loan element which the directors have designated as being held at fair value through profit and loss ("FVTPL"). As detailed in note 10, the valuation is based on a very limited number of transactions of interests in comparable UK onshore oilfields. The adoption of such a valuation technique
requires judgement and is inherently subjective; the resultant valuation has a high degree of estimation uncertainty associated with it. The investment forms approximately 40% of the group's net assets and 44% of the parent company's net assets.

Our response to the risk

At the planning stage of the audit, we identified that there were no recent transactions relating to either the underlying license interests nor the shares of the Horse Hill Developments Limited, and accordingly the valuation approach used by the directors in prior years was unlikely to be appropriate for the current year.

The directors then prepared an internal valuation, based on comparable market data. Whilst we considered that the valuation methodology was an appropriate one to use, we challenged the appropriateness of the comparable data used, on the grounds that the underlying transactions took place some two years prior to the valuation date and therefore may not reflect current market conditions. In response the directors commissioned the external valuation, which the directors have adopted in preparing these financial statements.

In respect of that valuation we:

- reviewed information relating to the experience, expertise and independence of the valuer
- agreed factual information within the formal valuation to supporting documentation
- considered whether the comparable data was appropriate to use
- compared the valuation outcome to other relevant market information
- confirmed that the results of the valuation were appropriately reflected in the financial statements
- considered whether the accompanying disclosures were appropriate and sufficiently explained the inherent uncertainties relating to the valuation.

Key audit matters (continued)

Valuation of investment in Horse Hill Developments Limited (continued)

We reviewed the rationale for the directors' designation of the loan element of the investment as being held at FVTPL. We assessed if the designation was consistent with the requirements of the relevant accounting standard and also with the Group's / Company's business model.

Carrying values and impairment of exploration and evaluation costs

Description of the risks
As described further in note 1 under the heading of "Impairment assessment of exploration and evaluation costs - £3,526,317" 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, whether the directors will carry on intending to continue each of the exploration activities, and whether the group will have sufficient funding to undertake the required exploration activities.

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

- by reference to the relevant Government databases of licences we confirmed that the Group still retained its exploration licences
- 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 reviewed the directors' assessment of future exploration commitments and assessed if they were consistent with the licence terms, including post year end changes to the licence terms
- we considered if the directors intended to undertake further substantive exploration activities in each licence and obtained a written representation of the directors' intentions
- we assessed whether the financial forecasts used by the directors in their going concern assessment included these future exploration activities.

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
As described in Note 1 under the headings "Impairment assessment of investment in and loans to subsidiaries (company only) – £2,754,752" and "Impairment charges for the year (£290,555)" the ability of the subsidiaries to repay the Parent Company loans and to provide a return on the Parent Company's investment, is dependent on the future success of the subsidiaries' exploration activities. If these activities are not successful, then it could lead to these assets on the Parent Company's statement of financial position becoming impaired. We refer to the uncertainties relating to the carrying value of these assets immediately above.

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 (continued)

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.

We also reviewed in detail, the directors' expected credit loss provision in respect of the Parent Company loans, assessing if the impairment was made in accordance with the requirements of the relevant standard and if the directors' assumptions were reasonable, and checking the estimates used by the directors to historic information.

Materiality
The materiality for the group financial statements as a whole was set at £500,000. 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 5% 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 £406,000. 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 4.4% of total assets as presented on the face of the parent company's statement of financial position.

An overview of the scope of our audit
The Group has eleven reporting components, of which the parent company was subject to a full scope audit and we directly audited certain assets, liabilities and expenses of six components in the context of the group materiality and without carrying out individual statutory audits. In total our audit work covered 99.6% of the consolidated assets, 86.0% of the consolidated liabilities, 98.2%% of the consolidated administrative expenses and 100% of the revaluation of investments. The assets and liabilities of the components not subject to audit procedures 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 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.

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.

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 14, 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.

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.

Use of our report
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.

Sancho Simmonds
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

19 May 2021

Alba Mineral Resources plc

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Note	2020	2019
		£	£
Revenue		-	-
Cost of sales		-	-
Gross loss		-	-
Administrative expenses		(543,942)	(772,849)
Impairment of intangible assets	**9**	-	(539,554)
Operating loss	**3**	(543,942)	(1,312,403)
Revaluation of investment	**10**	(1,430,000)	-
Finance costs		(105,595)	-
Loss for the year before tax		(2,079,537)	(1,312,403)
Taxation	**5**	-	-
Loss for the year		(2,079,537)	(1,312,403)
Attributable to:			
Equity holders of the parent		(2,078,897)	(1,311,172)
Non-controlling interests		(640)	(1,231)
		(2,079,537)	(1,312,403)
Loss per ordinary share			
Basic and diluted	7	(0.047) pence	(0.039) pence

Alba Mineral Resources plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2020

	2020	2019
	£	£
Loss after tax	(2,079,537)	(1,312,403)
Items that may subsequently be reclassified to profit or loss:		
- Foreign exchange movements	(61,406)	39,040
Total comprehensive loss	(2,140,943)	(1,273,363)
Total comprehensive loss attributable to:		
Equity holders of the parent	(2,140,303)	(1,272,132)
Non-controlling interests	(640)	(1,231)
	(2,140,943)	(1,273,363)

Alba Mineral Resources plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 NOVEMBER 2020

	Note	2020	2019
		£	£
Non-current assets			
Property, plant and equipment	8	111,038	85,000
Intangible fixed assets	9	3,526,317	3,050,430
Investments – Horse Hill Developments Limited	10	4,000,000	5,430,000
Investments - other		-	11,125
Total non-current assets		7,637,355	8,576,555
Current assets			
Trade and other receivables	12	1,196,006	81,460
Cash and cash equivalents	13	1,512,031	211,333
Total current assets		2,708,037	292,793
Current liabilities			
Trade and other payables	14	(257,047)	(356,232)
Financial liabilities	15	(41,134)	(137,312)
Total current liabilities		(298,181)	(493,544)
Net current assets / (liabilities)		2,409,856	(200,751)
Net assets		10,047,211	8,375,804
Capital and reserves			
Called up share capital	16	4,983,956	4,582,983
Share premium account		9,360,248	7,128,257
Warrant reserve		1,286,785	722,998
Reserve for warrants to be issued		416,044	-
Retained losses		(6,153,136)	(4,273,794)
Foreign currency reserve		168,612	230,018
Equity attributable to equity holders of the parent		10,062,509	8,390,462
Non-controlling interests	17	(15,298)	(14,658)
Total equity		10,047,211	8,375,804

These financial statements were approved and authorised for issue by the Board of Directors on 19 May 2021.

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 2020

	Note	2020	2019
		£	£
Non-current assets			
Intangible fixed assets	9	-	-
Investments – Horse Hill Developments Limited	10	4,000,000	5,430,000
Investments - other		-	11,125
Investments in and loans to subsidiaries	11	2,754,742	2,446,230
Total non-current assets		6,754,742	7,887,355
Current assets			
Trade and other receivables	12	1,160,153	28,603
Cash and cash equivalents	13	1,498,291	211,240
Total current assets		2,658,444	239,843
Current liabilities			
Trade and other payables	14	(256,429)	(353,702)
Financial liabilities		-	(96,178)
Total current liabilities		(256,428)	(449,880)
Net current assets / (liabilities)		2,402,015	(210,037)
Net assets		9,156,757	7,677,318
Capital and reserves			
Called up share capital	16	4,983,956	4,582,983
Share premium account		9,360,248	7,128,257
Warrant reserve		1,286,785	722,998
Reserve for warrants to be issued		416,044	-
Retained losses		(6,890,276)	(4,756,920)
Equity shareholders' funds		9,156,757	7,677,318

The loss of the parent company for the year was £2,332,911 (2019: a loss of £2,206,194). For more details see Note 6 to the accounts.

These financial statements were approved and authorised for issue by the Board of Directors on 19 May 2021.

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 2020

	Share capital £	Share premium £	Warrant reserve £	Warrants to be issued reserve £	Profit and loss £	Merger reserve £	Foreign currency reserve £	Attributable to equity holders £	Non-controlling interest £	Total £
At 30 November 2018	**4,099,233**	**6,786,382**	**624,039**	**-**	**(3,167,943)**	**200,000**	**190,978**	**8,732,689**	**(266,501)**	**8,466,188**
Loss for the period	-	-	-	-	(1,311,172)	-	-	**(1,311,172)**	(1,231)	**(1,312,403)**
Translation differences	-	-	-	-	-	-	39,040	**39,040**	-	**39,040**
Comprehensive loss for the period	-	-	-	-	(1,311,172)	-	39,040	**(1,272,132)**	(1,231)	**(1,273,363)**
Shares and warrants issued	483,750	389,375	21,875	-	-	-	-	**895,000**	-	**895,000**
Share issue costs	-	(47,500)	-	-	-	-	-	**(47,500)**	-	**(47,500)**
Transfer on write-down of investment	-	-	-	-	200,000	(200,000)	-	**-**	-	**-**
Equity settled share-based payments	-	-	82,405	-	-	-	-	**82,405**	-	**82,405**
Transfer on expiry of warrants	-	-	(5,321)	-	5,321	-	-	**-**	-	**-**
Owner's contribution	-	-	-	-	-	-	-	**-**	253,074	**253,074**
At 30 November 2019	**4,582,983**	**7,128,257**	**722,998**	**-**	**(4,273,794)**	**-**	**230,018**	**8,390,462**	**(14,658)**	**8,375,804**
Loss for the period	-	-	-	-	(2,078,897)	-	-	**(2,078,897)**	(640)	**(2,079,537)**
Translation differences	-	-	-	-	-	-	(61,406)	**(61,406)**	-	**(61,406)**
Comprehensive loss for the period	-	-	-	-	(2,078,897)	-	(61,406)	**(2,140,303)**	(640)	**(2,140,943)**
Shares and warrants issued	239,681	2,301,273	744,786	416,044	-	-	-	**3,701,784**	-	**3,701,784**
Shares issued on conversion	161,292	136,708	-	-	(75,000)	-	-	**223,000**	-	**223,000**
Share issue costs	-	(205,990)	-	-	-	-	-	**(205,990)**	-	**(205,990)**
Equity settled share-based payments	-	-	93,556	-	-	-	-	**93,556**	-	**93,556**
Transfer on exercise or expiry of warrants	-	-	(274,555)	-	274,555	-	-	**-**	-	**-**
At 30 November 2020	**4,983,956**	**9,360,248**	**1,286,785**	**416,044**	**(6,153,136)**	**-**	**168,612**	**10,062,509**	**(15,298)**	**10,047,211**

Alba Mineral Resources plc

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	Share capital	Share premium	Warrant reserve	Warrants to be issued reserve	Profit and loss	Merger reserve	Attributable to equity holders of parent
		£	£	£	£	£	£	£
At 1 December 2018 as restated		**4,099,233**	**6,786,382**	**624,039**	**-**	**(2,756,048)**	**200,000**	**8,953,606**
Loss for the period		-	-	-	-	(2,206,193)	-	**(2,206,193)**
Comprehensive loss for the period		-	-	-	-	(2,206,193)	-	**(2,206,193)**
Shares and warrants issued		483,750	389,375	21,875	-	-	-	**895,000**
Share issue costs		-	(47,500)	-	-	-	-	**(47,500)**
Transfer on write-down of investment		-	-	-	-	200,000	(200,000)	**-**
Equity settled share-based payments		-	-	82,405	-	-	-	**82,405**
Transfer on expiry of warrants		-	-	(5,321)	-	5,321	-	**-**
At 30 November 2019		**4,582,983**	**7,128,257**	**722,998**	**-**	**(4,756,920)**	**-**	**7,677,318**
Loss for the period		-	-	-	-	(2,332,911)	-	**(2,332,911)**
Comprehensive loss for the period		-	-	-	-	(2,332,911)	-	**(2,332,911)**
Shares and warrants issued		239,681	2,301,273	744,786	416,044	-	-	**3,701,784**
Shares issued on conversion		161,292	136,708	-	-	(75,000)	-	**223,000**
Share issue costs		-	(205,990)	-	-	-	-	**(205,990)**
Equity settled share-based payments		-	-	93,556	-	-	-	**93,556**
Transfer on exercise or expiry of warrants		-	-	(274,555)	-	274,555	-	**-**
At 30 November 2020		**4,983,956**	**9,360,248**	**1,286,785**	**416,044**	**(6,890,276)**	**-**	**9,156,757**

Alba Mineral Resources plc

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Note	2020	2019
		£	£
Cash flows from operating activities			
Operating loss		(543,942)	(1,312,403)
Consulting fees settled in shares		12,500	-
Share based payment charge		93,556	82,405
Impairments of intangible assets		-	539,554
Change in fair value of other investments		11,125	(3,964)
Foreign exchange revaluation adjustment		(61,406)	45,614
Increase/(decrease) in creditors		(89,394)	44,474
Decrease/(increase) in debtors		13,453	(19,566)
Net cash used in operating activities		(564,108)	(623,886)
Cash flows from investing activities			
Payments for deferred exploration expenditure		(482,777)	(522,179)
Payments for intangible fixed assets		-	(165,897)
Payments for tangible fixed assets		(26,038)	-
Net cash used in investing activities		(508,815)	(688,076)
Cash flows from financing activities			
Proceeds from the issue of shares and warrants		2,422,899	895,000
Costs of issue		(105,000)	(47,500)
Proceeds from short term borrowings		-	90,000
Proceeds from issue of convertible loan notes		192,000	-
Financing costs		(37,200)	-
Repayment of short term borrowings plus financing costs		(99,078)	-
Net cash generated from financing activities		2,373,621	937,500
Net increase/(decrease) in cash and cash equivalents		1,300,698	(374,462)
Cash and cash equivalents at beginning of period		211,333	585,795
Cash and cash equivalents at end of year	**13**	1,512,031	211,333

Non-cash transactions

The significant non-cash transaction in the period was the revaluation of the Group's investment in Horse Hill Developments Limited, impairing the value by £1,430,000. This is not included in operating costs so is not reflected in the cash flow statement above.

Significant non-cash transactions in the prior period were impairment charge against intangible assets.

Accruals includes capital items of £52,135 (2019: £59,025).

Alba Mineral Resources plc

COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Note	2020	2019
		£	£
Cash flows from operating activities			
Operating loss		(797,316)	(2,206,194)
Consulting fees settled in shares		12,500	-
Share based payment charge		93,556	82,405
Impairment of intangible assets		-	373,927
Change in fair value of other investments		11,125	(3,964)
Impairment of investments		-	232,484
Increase in expected credit losses on intercompany balances		221,926	274,688
Impairment of intercompany loan		68,628	640,084
Foreign exchange revaluation adjustment		(61,426)	45,281
Increase/(decrease) in creditors		(94,374)	18,566
Decrease/(increase) in debtors		(3,550)	33,292
Net cash used in operating activities		(548,931)	(509,431)
Cash flows from investing activities			
Loans to subsidiaries	**11**	(537,539)	(625,018)
Payments for intangible fixed assets		-	(165,897)
Investments in subsidiaries	**11**	(100)	(99)
Net cash used in investing activities		(537,639)	(791,014)
Cash flows from financing activities			
Proceeds from the issue of shares and warrants		2,422,899	895,000
Costs of issue		(105,000)	(47,500)
Proceeds from borrowings		-	90,000
Proceeds from issue of convertible loan notes		192,000	-
Financing costs		(37,200)	-
Repayment of short term borrowings plus financing costs		(99,078)	-
Net cash generated from financing activities		2,373,621	937,500
Net increase/(decrease) in cash and cash equivalents		1,287,051	(362,945)
Cash and cash equivalents at beginning of period		211,240	574,185
Cash and cash equivalents at end of year	**13**	1,498,291	211,240

Significant non-cash transactions in the period were the revaluation of the Group's and Company's investment in Horse Hill Developments Limited, impairing the value by £1,430,000 and an increase in the general expected credit loss provision as noted above. The impairment of investment is not included in operating costs so is not reflected in the cash flow statement above. In the prior period, significant non-cash transactions were impairment charges against intangible assets and investments, a specific provision against an intercompany receivable and a general expected credit loss provision against the intercompany receivables portfolio.

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.

Going concern

Based on financial projections prepared by the Directors, the Group's current cash resources are sufficient to enable the Group to meet its recurring outgoings and projected exploration expenditure for the entirety of the next twelve months.

The Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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:

i) JUDGEMENTS

Capitalisation of exploration and evaluation costs - £3,526,317

The capitalisation of exploration costs relating to the exploration and evaluation phase requires management to make judgements as to the future events and circumstances of a project, 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.

Impairment assessment of exploration and evaluation costs – £3,526,317

At each reporting date, management make a judgment as to whether circumstances have changed following the initial capitalisation and whether there are indicators of impairment. If there are such indicators, an impairment review will be performed which could result in the relevant capitalised amount being written off to the income statement.

Accounting for investment in Horse Hill Developments Limited - £4,000,000

The Group and Company's investment in Horse Hill Developments Limited ("HHDL") is in the form of equity and a shareholder loan. However, the Directors judge that the loan is in substance part of the equity investment as governed by the HHDL investment agreement. As such the loan element of the investment is accounted for at fair value with movements in fair value being taken to the profit and loss (FVTPL).

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

The Group and Company's shareholding in HHDL is less than 20%. A director of the Company is also a director of HHDL but does not act in an executive capacity. At the balance sheet date HHDL had a majority shareholder with a 77.9% shareholding. The Directors judge that the Company does not have significant influence over HHDL and that it should not be accounted for as an associate.

<u>Company only - Impairment assessment of investment in and loans to subsidiaries – £2,754,742</u>
<u>Impairment charges for the year (£290,555)</u>
In preparing the parent company financial statements, the Directors apply judgement to decide if any, or all of the company's investments in and loans to each of Aurum Mineral Resources Limited, Obsidian Mining Limited, White Eagle Resources Limited, White Fox Resources Limited, Dragonfire Mining Limited group and GMOW Gwynfynydd 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 review, the Directors consider the outcome of their impairment assessment of the relevant licences as detailed above.
The Directors have used the Expected Credit Loss model to make a general provision against intercompany loans receivable based on historic credit losses and current data. In applying the expected credit loss model, the directors have judged that the loans to the subsidiaries were credit impaired on inception. See Note 11 for further details.

ii) ESTIMATES

<u>Carrying value of investment in Horse Hill Developments Limited - £4,000,000</u>
The 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. For further details of the valuation see Note 10.

<u>Basis of preparation</u>
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 ("IFRSs") as they apply to the Group for the year ended 30 September 2020 and with the Companies Act 2006.

<u>New standards, amendments and interpretations Effective for the Periods from 1 Dec 2019</u>
The accounting policies adopted are consistent with those of the previous financial year.
IFRS 16 came into effect for the accounting period. Adoption of IFRS 16 has not resulted in the Group recognising right of use of assets and lease liabilities for all contracts that are, or contain, a lease. IFRS 16 has not had a material impact on the results or balance sheet of the Group. All the exploration agreements that the Group has for its areas of interest are outside the scope of IFRS 16.

<u>New standards, amendments and interpretations not yet adopted</u>
At the date of approval of these Financial Statements, the following standards and interpretations, which have not been applied in these Financial Statements were in issue but not yet effective (and in some cases had not been adopted by the EU):

- Amendments to References to Conceptual Framework in IFRS Standards – effective from 1 January 2020;
- Definition of Material (Amendments to IAS 1 and IAS 8) – effective from 1 January 2020;
- Amendment to IFRS 3 Business Combinations – effective 1 January 2020;
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – effective 1 January 2023*.

**subject to EU endorsement*

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

The Directors do not anticipate that 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, both endorsed and not yet endorsed, but they are not relevant to the Group and as such they are not commented on.

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.

Share based payments

Share-based compensation benefits are made on an ad-hoc basis on the recommendations of the Remuneration Committee or via the Enterprise Management Incentive Scheme where the employee meets the qualifying conditions. The fair value of warrants or options granted is recognised as an employee benefits expense, with a corresponding increase in the warrant reserve. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (eg the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (eg profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (eg the requirement for employees to save or hold shares for a specific period of time).

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to the warrant reserve.

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. When all licences comprising a project are 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.

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 recognises 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.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Property, plant and equipment

Land is shown at cost and is not depreciated as it is not a wasting asset. The land owned by the Group is an integral part of access to one of the Group's projects and as such its value is reviewed annually as part of the impairment review of that project value as a whole.
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

- Plant and equipment 10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified as either:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification is dependent on the business model adopted for managing the financial assets and the contractual terms of the cash flows expected to be derived from the assets.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group's financial assets comprise equity instruments and debt instruments as described below.

Investment in subsidiaries: Investment in subsidiaries, comprising equity instruments and capital contributions, 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 investment cost. Any shareholder loans made are included in the investment cost. Where a value can be reliably measured the investment is subsequently recognised at fair value.
Investments in listed equity instruments are recognised initially and subsequently at fair value. The Group has not designated any equity instruments as being at fair value through other comprehensive income, and thus all equity instruments are held at fair value through profit and loss.

Loans to subsidiaries: Loans to subsidiaries, other than capital contributions, are held for the collection of contractual cash flows and are classified as being measured at amortised cost, net of provision for impairment. Impairment is initially based on the expected lifetime credit loss as applied to the portfolio of loans. The loans are interest free and have no fixed repayment terms. As such the loans are assessed as being credit impaired on inception and lifetime expected credit losses are recognised with the amount of provision being recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

A loan is fully impaired when the relevant subsidiary recognises an impairment of its deferred exploration expenditure, such that the subsidiary is not expected to be able to repay the loan from its existing assets.

Trade and other receivables: Trade and other receivables are held for the collection of contractual cash flows and are classified as being measured at amortised cost. They 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:

- Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.
- There are no financial liabilities classified as being at fair value through profit or loss.
- The liability recognised for the 10% call option over the remaining shares in the Clogau gold project not owned by the Company is reassessed at each reporting date and any change in the liability will be recognised against the intangible asset value on the balance sheet.
- Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Liability components of convertible loan notes are measured as described further below.

Convertible Debt: The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components. The amount initially attributed to the liability component equals the discounted cash flows using a market rate of interest that would be payable on a similar instrument that does not include an option to convert. Subsequently, the liability component is measured at amortised cost until extinguished on conversion or maturity of the bond. The balance of the proceeds is allocated to the conversion option and is recognised within shareholders' equity.

The Company issued a convertible loan note during the period that that was fully converted prior to year end.

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 Black Scholes model where they are not issued as part of a cash transaction.

<u>Taxation</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

2. ANALYSIS OF SEGMENTAL INFORMATION

The Group currently only has one primary reporting business segment, exploration and development. The Board of the Company evaluates the business on a sector basis, the two sectors being mining and oil and gas. The group exploration assets and investments along with capital expenditures are presented on this basis below:

	2020	2019
	£	£
Total assets		
Mining	3,637,355	3,135,430
Oil and gas	4,000,000	5,430,000
Investments – other	-	11,125
Current assets	2,708,037	292,793
	10,345,392	8,869,348
Capital expenditure		
Mining	501,925	492,752
Oil and gas	-	27,023
	501,925	519,775

The Group's primary business activities operate in three different geographical areas (and the Group has an investment in a fourth area) and the group exploration assets and investments along with capital expenditures are presented on the basis of geographical segments below:

	2020	2019
	£	£
Total assets		
Republic of Ireland	-	-
Greenland	1,687,600	1,634,994
Australia	-	11,125
England & Wales	8,657,792	7,223,229
	10,345,392	8,869,348

	2020	2019
	£	£
Capital expenditure		
Republic of Ireland	-	67,928
Greenland	52,606	113,840
England & Wales	449,319	338,007
	501,925	519,775

The administrative expenditure in the income statement primarily relates to central costs. During the period oil and gas investments were revalued downwards by £1,430,000. Impairment charges in the prior period related to the mining project in the Republic of Ireland (£165,627) and oil and gas assets in the United Kingdom (£373,927).

3. OPERATING LOSS

	2020	2019
	£	£
This is stated after charging/(crediting):		
Impairment of intangible assets	-	539,554
Share-based payments charge (see note 16)	93,556	82,405
Recovery of bad debt and award of associated costs	(59,104)	-
COVID-19 recovery grant for small businesses	(10,000)	-
Auditor's remuneration		
- Group audit services	33,330	33,330

4. DIRECTORS' EMOLUMENTS AND STAFF COSTS

During the period there were 4.25 (2019: 3.4) permanent employees, being the Directors (who are the key management personnel) plus finance and geological staff. There were no temporary employees (2019: 2). The Directors accrue benefits under the government's money purchase auto-enrolment scheme, NEST.

Group and Company	2020	2019
	£	£
Directors' Remuneration		
Fees	16,915	9,339
Salaries	134,000	130,000
	150,915	**139,339**
Share based payment charge	50,564	71,526
Social security costs	14,204	13,901
Defined contribution pension scheme	1,668	1,463
	217,351	**226,229**
Staff costs		
Salaries, wages	33,667	4,655
Share based payment charge (options issued under the EMI scheme, see below)	17,445	-
Social security costs	3,540	190
Defined contribution pension scheme	819	-
	55,471	4,845
Average number of employees	4.25	3.4

£19,425 of staff costs comprising salaries, social security costs and pension contributions were incurred during the period and recharged to relevant projects to be capitalised in intangible assets.

4. DIRECTORS' EMOLUMENTS AND STAFF COSTS (continued)

	Fees 2020 £	Salaries 2020 £	Pension 2020 £	Total 2020 £	Fees 2019 £	Salaries 2019 £	Pension 2019 £	Total 2019 £
Directors								
George Frangeskides	10,915	102,500	1,314	**114,729**	9,339	100,000	1,146	**110,485**
Michael Nott	1,000	18,000	354	**19,354**	-	18,000	317	**18,317**
Manuel Lamboley	5,000	13,500	-	**18,500**	-	12,000	-	**12,000**
Total	**16,915**	**134,000**	**1,668**	**152,583**	**9,339**	**130,000**	**1,463**	**140,802**

Note 23 gives details of other transactions with the Directors.

During the year the Company granted warrants or options to the Directors as follows (no warrants were granted in the prior year):

	2020 No	2019 No
George Frangeskides	140,000,000	-
Michael Nott	15,000,000	-
Manuel Lamboley	-	-

The warrants issued to Mr Nott have an exercise price of 0.16 pence per share. The warrants vest(ed) as follows: 5,000,000 on each of 30 September 2020, 31 March 2021 and 30 September 2021 and can be exercised until 31 December 2023.

The options awarded to Mr Frangeskides and other employees during the period were under the Company's Enterprise Management Incentive plan ("EMI scheme"). Mr Frangeskides award comprised 20 million share options vesting on 28 August 2020, with a further 12 million share options vesting on 30 September 2020 and on each of the dates falling quarterly from that date for nine vesting periods until 31 December 2022. These options have an exercise price of 0.16 pence and expire on the tenth anniversary of grant, being 28 August 2030, 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 total estimated value of the share-based remuneration provided to Directors was £174,379 (2019: £71,526). These values were derived from a Black Scholes model as described in Note 16. The warrants were granted when the share price was 0.13 pence per share and the warrants were valued at between 0.069 pence and 0.116 pence per share depending on their term and vesting date. The warrant value was high as a proportion of the market price due to the historic share price volatility.

5. INCOME TAXES

a) Analysis of charge in the period

	2020 £	2019 £
United Kingdom corporation tax at 19% (2019: 19%)	-	-
Deferred taxation	-	-
	-	-

5. INCOME TAXES (continued)

b) Factors affecting tax charge for the period

The tax assessed on the loss for the year before tax differs from the standard rate of corporation tax in the UK which is 19% (2019: 19%). The differences are explained below:

	2020	2019
	£	£
Loss before tax	(2,079,537)	(1,312,403)
Loss multiplied by standard rate of tax	(395,112)	(249,357)
Effects of:		
Downwards revaluation of investment not deductible	271,700	-
Deferred tax assets not recognised	123,412	249,357
	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses and accelerated capital allowances, due to uncertainty that the potential asset will be recovered. The aggregated losses in each of the Group companies, Alba Mineral Resources plc and its subsidiaries as listed in Note 11 amounted to £6,153,156 before adjustments required by local tax rules and excluding losses on intra-group transactions (2019: £4,273,795).

6. COMPANY LOSS 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 £2,332,911 (2019: £2,206,194 loss).

7. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributed to ordinary shareholders of £2,078,897 (2019: £1,311,172 loss) by the weighted average number of shares of 4,421,614,727 (2019: 3,403,506,056) 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.

8. PROPERTY, PLANT AND EQUIPMENT

Group	Land	Plant and equipment	Total
	£	£	£
Cost			
At 1 December 2018 and 1 December 2019	85,000	-	85,000
Additions	-	26,038	26,038
At 30 November 2020	**85,000**	**26,038**	**111,038**

The land is part of the Clogau gold project. At the year end the land is held at cost. No depreciation is charged as it is not a wasting asset.
Plant is part of the Clogau gold project. No depreciation has been charged for the year as at year end it was newly commissioned.

9. INTANGIBLE FIXED ASSETS

Group	Exploration and evaluation	Development and production	Total
	£	£	£
Cost			
At 1 December 2018	3,299,097	346,904	3,646,001
Exchange differences	(6,574)	-	(6,574)
Additions	492,752	27,023	519,775
At 30 November 2019	3,785,275	373,927	4,159,202
Exchange differences	-	-	-
Additions	475,887	-	475,887
As 30 November 2020	**4,261,162**	**373,927**	**4,635,089**
Amortisation and impairment			
As at 30 November 2018	(569,218)	-	(569,218)
Impairment charge for 2019	(165,627)	(373,927)	(539,554)
As 30 November 2019 and 30 November 2020	(734,845)	(373,927)	(1,108,772)
Net book value			
At 30 November 2020	**3,526,317**	**-**	**3,526,317**
At 30 November 2019	3,050,430	-	3,050,430

The Group's intangible fixed assets relate to Amitsoq, the Greenland graphite project (£788,360), Thule, the Greenland mineral sands project (£587,766), Inglefield, the Greenland multi-element project (£199,412), Melville Bay, the Greenland iron ore project (£112,061), the Clogau gold project (£1,838,716) and the Limerick base metals project that was fully impaired in the prior year.

The impairment charges in the prior period related to the Brockham Oil Project and the Limerick Base Metals Project asset.

10. INVESTMENTS

Group and Company	**£**
At 30 November 2019	5,430,000
Revaluation of investment	(1,430,000)
At 30 November 2020	4,000,000

The above investment represents an investment in 18.1%* (2019: 18.1%) of the issued share capital of Horse Hill Developments Limited ("HHDL") and associated loans to that company accruing interest at variable rates linked to the Bank of England base rate. Those loans and interest are treated as part of the overall investment and as such are classified as fair value through the profit and loss. Any interest due is subsumed within the overall investment valuation.

HHDL is a private company with no stock quote. In prior periods share transactions in the stock have provided bases for valuing the investment. In 2019 the sale of 35% of the Horse Hill licences was a reference transaction. During the period under review there have been no share transactions in HHDL stock nor transactions in licence interests. The Directors commissioned a third-party market-based valuation of Alba's investment. This reviewed M&A transactions in the UK Onshore oil field sector to select the most comparable transactions in order to provide price points for valuation. There are a limited number of transactions in the sector and they may not be directly comparable, for example in scale or in terms of field geology. However the most recent should factor in post-COVID changes in oil market sentiment and reflect the impact of fluctuating oil prices on field values. If there had been a greater number of comparable transactions, then the range of values would be expected to be wider which may have influenced the valuation.

This is a Level 3 valuation under IFRS 13's valuation hierarchy as inputs are unobservable. Primary inputs are: the market prices of proven and contingent reserves in recent comparable UK Onshore oil field transactions; oil in place ("OIP") from the Field Development Plan; and an estimated Recovery Factor, the two combined giving net recoverable oil for HDL which can then be compared to market values. The Recovery Factor is the overall proportion of oil expected to be extracted from the field and is calculated using a number of inputs derived from the test production and published in the FDP.
The valuation is of the underlying oil field and there has been no adjustment to reflect that the interest is held through a corporate vehicle. No discount is required in respect of Alba's minority interest as the HHDL shareholders' agreement provides minority protection.

A 10% change in oil expected to be recovered would result in a change in the valuation of 10%, or £400,000.
A 10% change in the market price of proven and contingent reserves used in the model would result in a change in the valuation of 10% or £400,000.

There is inherent uncertainty in any oil field valuation due to the uncertainty of future oil price movements.

The registered office of HHDL is: The Broadgate Tower, 8th Floor, 20 Primrose Street, London, EC2A 2EW.

**In the prior year the Company elected not to contribute its share of a cash call. As a result the Company's shareholding could be diluted but the impact would be minimal, the reduction being less than 0.1% of the total issued share capital of HHDL.*

11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	Investments	Capital Contributions	Loans	Total
	£	£	£	£
Company				
At 1 December 2018	**530,828**	**1,115,831**	**1,366,992**	**3,013,651**
Additions	99	-	625,018	625,117
Foreign exchange movements	-	-	(45,282)	(45,282)
Provision for expected credit losses	-	-	(274,688)	(274,688)
Impairment of intercompany loan	-	-	(640,084)	(640,084)
Impairment of investment	(232,484)	-	-	(232,484)
At 30 November 2019	**298,443**	**1,115,831**	**1,031,956**	**2,446,230**
Additions	100	-	537,540	537,640
Foreign exchange movements	-	-	61,626	61,626
Provision for expected credit losses	-	-	(221,926)	(221,926)
Impairment of intercompany loan	-	-	(68,628)	(68,628)
At 30 November 2020	**298,543**	**1,115,831**	**1,340,368**	**2,754,742**

Upon adoption of IFRS 9 in the year ended 30 November 2019 the company recognised a provision for expected credit loss against the loans due from subsidiaries. These loans are interest-free and have no agreed terms. For the purposes of IFRS 9 the loans were assumed to be repayable on demand. Historically no provisions were made unless the specific balance was found to be impaired. The loans are assessed as being credit impaired on inception and as such lifetime expected credit losses have been recognised. Historic and current data has been used to derive a probability of default and this has been applied across the portfolio of loans.
The loans are assessed as being credit impaired on inception as the subsidiaries have no income other than the receipt of inter-company funding and as the loans are primarily used to fund the subsidiaries deferred exploration expenditure. The subsidiaries would only be able to repay the loans if they can either sell their exploration assets or develop them to the point at which the assets generate cash flows, both of which would take time to achieve. Therefore, at inception, it is known that the loans will not be able to be repaid in accordance with the loan terms (that is, on demand) and therefore they are assessed as being credit impaired.

11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (continued)

At 30 November 2020 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	Nature of holding	Business
Aurum Mineral Resources Ltd	Ireland	100%	Direct	Exploration
Mauritania Ventures Limited	England & Wales	50%	Direct	Non-trading
Obsidian Mining Limited	England & Wales	90%	Direct	Exploration
White Eagle Resources Limited	England & Wales	100%	Direct	Exploration
White Fox Resources Limited	England & Wales	51%	Direct	Exploration
Dragonfire Mining Limited	England & Wales	100%	Direct	Exploration
Gold Mines of Wales Limited	Jersey	90%	Indirect	Holding Co.
GMOW (Holdings) Limited	England & Wales	90%	Indirect	Holding Co.
GMOW (Operations) Limited	England & Wales	90%	Indirect	Exploration
GMOW Gwynfynydd Limited (formerly White Deer Resources Limited)	England & Wales	100%	Direct	Exploration

The address of the registered office of Aurum Mineral Resources Ltd is c/o Hugh Lennon Associates, Unit 8&10 Church View, Cavan, Ireland.

The address of the registered office of Gold Mines of Wales Limited is 2 Mark Clos, La Rue de la Croix, St Clement, Jersey.

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.

Dragonfire Mining Limited owns a 90% holding in Gold Mines of Wales Limited, which company wholly owns GMOW (Holdings) Limited and its wholly owned subsidiary GMOW (Operations) Limited. Dragonfire Mining Limited holds a put and call option over the 10% of shares in Gold Mines of Wales Limited that it does not own and therefore consolidates these entities as though they are 100% owned.

12. TRADE AND OTHER RECEIVABLES

	Group 2020	Group 2019	Company 2020	Company 2019
Current	**£**	**£**	**£**	**£**
Other debtors	38,594	60,616	26,670	7,758
Prepayments and accrued income	29,412	20,844	5,483	20,845
Called up share capital not paid	1,128,000	-	1,128,000	-
	1,196,006	81,460	1,160,153	28,603

The fair value of trade and other receivables approximates to their book value. The called-up share capital not paid relates to a placing on 25 November 2020 and settlement was made on 1 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

13. CASH AND CASH EQUIVALENTS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	1,512,031	211,333	1,498,291	211,240

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

14. TRADE AND OTHER PAYABLES

	Group 2020	Group 2019	Company 2020	Company 2019
Current	**£**	**£**	**£**	**£**
Trade creditors	68,140	157,401	67,522	156,444
Other creditors	27,297	12,329	27,297	12,329
Accruals and deferred income	161,610	186,502	161,610	184,929
	257,047	356,232	256,429	353,702

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

15. FINANCIAL LIABILITIES

	Group 2020	Group 2019	Company 2020	Company 2019
Financial Liabilities	**£**	**£**	**£**	**£**
Borrowings	-	96,178	-	96,178
Other borrowings	6,958	6,958	-	-
Contingent consideration	34,176	34,176	-	-
	41,134	137,312	-	96,178

The contingent consideration is recognition of a liability in respect of the put and call option over the remaining 10% shareholding in the Clogau gold project which the Company does not own.

16. CALLED UP SHARE CAPITAL

	2020 Number of shares	2020 £	2019 Number of shares	2019 £
Allotted, called up and fully paid				
Ordinary shares of 0.1 pence	-	-	3,745,351,946	3,745,352
Ordinary shares of 0.01 pence	6,198,078,989	619,808	-	-
Deferred shares of 0.9 pence	93,070,100	837,631	93,070,100	837,631
B deferred shares of 0.09 pence	3,918,351,946	3,526,517		
Total	**10,209,501,035**	**4,983,956**	**3,838,422,046**	**4,582,983**

The Company's Articles 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.
At the AGM on 28 April 2020 a resolution was passed to reduce the par value of its ordinary shares to £0.0001. This resulted in the creation of a new class of deferred shares at 0.09 pence. These deferred shares have the same rights as the original class of deferred shares (noted above).
In February 2020 the Company announced that it had entered into a convertible securities issuance deed with a U.S.-based institutional investment fund managed by Bergen Asset Management, LLC to provide up to £1,054,500 of funding in the form of the issuance by the Company of unsecured zero-coupon convertible securities.
The initial Convertible Security issued on 3 March 2020 had the purchase price of £192,000 and a nominal value of £223,000. That was converted in five tranches during the year. The Company terminated the agreement in September prior to the issue of any further securities.

During the year the Company issued ordinary shares as follows:

	Ordinary shares of 0.1 pence	Ordinary shares of 0.01 pence	Deferred shares of 0.9 pence	B deferred shares of 0.09 pence
At 1 December 2019	**3,745,351,946**	**-**	**93,070,100**	**-**
February 2020 – April 2020 Convertible Securities Agreement (commencement fee, collateral shares, conversion shares and fee shares)	173,000,000	-	-	-
Total capital prior to reduction in par value	**3,918,351,946**	**-**	**93,070,100**	**-**
28 April 2020 – reduction in par value	(3,918,351,946)	3,918,351,946	-	3,918,351,946
Total capital after reduction in par value	**-**	**3,918,351,946**	**93,070,100**	**3,918,351,946**
May 2020 – August 2020 issues under convertible securities agreement	-	362,916,667	-	-
July 2020 – Placing for cash	-	692,307,692	-	-
September 2020 – Consultants fees paid in shares	-	17,857,143	-	-
September 2020 – Placing for cash	-	472,727,272	-	-
November 2020 – Placing for cash	-	320,000,000	-	-
Various – issues of shares upon exercises of warrants	-	413,918,269	-	-
At 30 November 2020	**-**	**6,198,078,989**	**93,070,100**	**3,918,351,946**

16. CALLED UP SHARE CAPITAL (cont'd)

As at 30 November 2020 Alba had 997,253,974 warrants and options outstanding:

No. of warrants	Exercise price (pence)	Final exercise date	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. Vested.
113,904,761[4]	0.42 pence	27 March 2021	Vested
60,000,000[4]	0.42 pence	2 May 2028	Awarded under the EMI scheme. Vested
119,687,500	0.32 pence	13 November 2021	Vested
42,375,000	0.32 pence	21 November 2021	Vested
16,923,077	0.13 pence	4 September 2022	Vested
236,363,636	0.55 pence	20 September 2022	Vested
60,000,000[5]	0.16 pence	31 December 2023	Partially vested.
200,000,000[5]	0.16 pence	28 August 2030	Awarded under the EMI scheme. Partially vested.
997,253,974			

As at 30 November 2019 Alba had 555,654,761 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. Vested.
113,904,761[4]	0.42 pence	27 March 2021	Partially vested. 24,500,000 vesting in 2019 and 2020
60,000,000[4]	0.42 pence	2 May 2028	Awarded under the EMI scheme. Vested except 15,000,000 vesting 31 Dec 2019
146,562,500	0.32 pence	13 November 2021	Vested
72,187,500	0.32 pence	21 November 2021	Vested
555,654,761			

[1,2,3,4] These warrants fall within the scope of IFRS 2 "Share-based Payments" and were issued in 2015, 2016, 2017, 2018 and 2020 respectively. The fair value of the warrants issued in 2020 calculated using a Black Scholes model was £281,729. Within the meaning of the IFRS 13 fair value hierarchies, this is a Level 2 valuation. It is based on a risk-free rate of 10 year gilts on the date of grant, 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 12-month period prior to the issue of the respective warrants.

17. NON-CONTROLLING INTERESTS

	£
At 30 November 2018	(266,501)
Loss after taxation	(1,231)
Contribution from joint venture partner	253,074
At 30 November 2019	(14,658)
Loss after taxation	(640)
	(15,298)

The joint venture partner in Mauritania Ventures Limited waived its loan to that company during the prior period, which is accounted for as a contribution from an owner and as such is a movement on reserves.

18. 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.

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.

Warrants to be issued reserve: Proceeds from the issue of warrants announced on 25 November 2020 but issued post-year end, on 1 December 2020.

19. CAPITAL COMMITMENTS

As at 30 November 2020, the Group / Company had commitments to spend at least £200,000 in calendar year 2021 on its Greenland licences (2020: £nil due to COVID-19), being in approximate terms the aggregate minimum expenditure commitments required under the licences. Subsequent to the year end, the Greenland authorities announced that expenditure obligations for 2021 had been rescinded and obligations across all exploration licences in Greenland were £nil for 2021.
On renewal of the exploration licence for the Limerick zinc project, the Group committed to spend of circa €16,000 in the period to May 2021 and a further €50,000 to May 2022.

20. CONTINGENT LIABILITIES

A royalty agreement was agreed as part of the acquisition of the Clogau gold project in 2018. The Group has no obligations under this agreement until such time as gold is produced and sold.

The Company / Group will be liable for 5% of the abandonment and reinstatement costs relating to the Brockham Production licence. The expected liability is in the region of £22,000 and has been accrued.

21. FINANCIAL INSTRUMENTS

The Group’s financial instruments comprise investments, cash at bank and various items such as investments, 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. As at 30 November 2020, other debtors included £8,100 that was past due but not impaired (2019: £8,100).

The Company’s credit risk primarily arises from intercompany debtors and this is reviewed annually in the course of reviewing the Expected Credit Loss provision required under IFRS 9. See Note 11 for more details.

Funding risk
Funding risk is the possibility that the Group might not have access to the financing it needs. The Group’s continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital. The Directors are confident that adequate funding will be forthcoming with which to finance operations. The Board has a strong track record of raising funds as required. Controls over expenditure are carefully managed and activities planned to ensure that the Group has sufficient funding.

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
Excluding the investment in HHDL, 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.
The investment in HHDL includes a loan element. Under an investment agreement those loans attract interest which becomes payable once HHDL has surplus cash. As the Group / Company treats the loan as held at fair value through profit and loss, any interest credit is subsumed within the fair value movement.

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.

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 and the future cash calls will, to an extent, depend on the revenue generated from oil produced from well testing activities. For a review of the progress of the Horse Hill project, please see the Chairman’s Statement.

During the year under review the price of Brent crude oil has dropped from a high of $60 per barrel to a low of $10 per barrel and back up to $60 at the time of writing. A sustained downturn in the price of oil may have a materially adverse effect on the revenues generated from the Horse Hill Oil Field. A material reduction in the market value of HHDL shares can be expected to result in a proportionate reduction in the carrying value of the Group’s investment in HHDL.

21. FINANCIAL INSTRUMENTS cont'd

Categories of financial instrument

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Investments at fair value through the profit and loss account - Horse Hill Developments Limited	4,000,000	5,430,000	4,000,000	5,430,000
Investments at fair value through the profit and loss account - other	-	11,125	-	11,125
Held at amortised cost:				
Trade and other receivables	1,166,594	60,616	1,154,670	7,758
Intercompany receivables net of expected credit losses	-	-	1,340,368	1,031,956
	5,166,594	5,501,741	6,495,038	6,480,839
Financial liabilities				
Financial liabilities held at amortised cost	291,223	486,585	256,428	449,880

Liabilities not yet due relate to a valuation of a call option over 10% of the Clogau gold project (£34,176; 2019: £34,176; Company – £nil both years) and borrowings (Group and Company 2020 £nil, 2019 £96,178). Other contractual liabilities are either contractually overdue or due within one month.

Included in the investments held at fair value through profit and loss are loans of £2,097,768 (2019 - £2,097,768). These were designated as fair value through the profit and loss on recognition as they form part of the Company's investment in Horse Hill Developments Limited. The maximum exposure to credit risk of this financial asset at the end of the reporting period is the carrying amounts of the loans. The loans are not valued separately from the investment. No change in fair value to date has been attributable to a change in credit risk.

22. 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.

23. RELATED PARTY TRANSACTIONS

Company

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. The loan balances and transactions in the year with the subsidiaries are disclosed in Note 11. Details of transactions between the Company and other related parties are disclosed below.

23. RELATED PARTY TRANSACTIONS (cont'd)

Group

Stirling Corporate Limited, a company which George Frangeskides, a director of the Company, controls, charged the Group £3,209 (2019: £39,191) for the provision of financial and administrative services. As at the year-end £nil (2019: £17,185) was owed to Stirling Corporate Limited.

Aetos Consulting Limited, a company which George Frangeskides, a director of the Company, jointly controls, charged the Group fees for consultancy services of £42,604 (2019: £37,853). Of these fees, £31,689 are not reported as director's fees in note 4 as they represent work carried out specifically on the advancement of the Group's project portfolio and have therefore been capitalised. As at the year-end £nil (2019: £18,710) was owed to Aetos Consulting Limited and £42,604 was accrued for invoices expected.

24. EVENTS AFTER THE REPORTING PERIOD

Corporate

On 8 December 2020 the Group announced changes to the membership of the Board, with Manuel Lamboley stepping down as a Non-Executive Director and Elizabeth Henson and Lars Brünner being appointed as Non-Executive Directors.

During the period since year end the Company has announced several exercises of share warrants.

As detailed in the Chairman's Review on pages 2-10, the Directors have approved in principle the divestment of the Group's Greenland projects to a new Greenland-focused AIM-listed entity which will own and operate those assets.

Exploration licences

Clogau Gold Project

On 2 December 2020 and 21 December 2020 the Group gave updates on the progress of a surface drilling campaign at the Clogau-St David's Gold Mine.

On 8 January 2021 the Group announced the results of processing of a small bulk sample and that the pilot processing plant was expected to be operational within a week.

On 2 February 2021 the Group gave a further update on activities at the Project.

On 11 February 2021 the Group announced that The Crown Estate has agreed to extend the duration of the Company's exclusive exploration licence over the Clogau-St David's Gold Mine in north Wales for a further four years, being the maximum extension possible under the terms of the original licence. As such, the Exploration Licence will now remain in full force and effect until 9 February 2025.

On 2 March 2021 the Group announced that the phase one surface drilling programme indicates that the newly identified vein system at the Llechfraith mine area has a strike extent of 58 metres.

On 12 March 2021 the Group updated with further results from the surface drilling and said that the newly identified vein system at the Llechfraith mine area has a down dip extent of 122 metres below the existing workings.

On 12 April 2021 the Group announced the commencement of the second phase of surface drilling, the Clogau Main Lode extension.

On 13 April 2021 the Group announced that an evaluation of the historic waste rock dump was being undertaken.

On 23 April 2021 the Group reported the full results of the phase 1 surface drilling.

Dolgellau Gold Exploration Project (encompassing licence areas in the Dolgellau Gold Belt excluding the established mine sites)

On 17 December 2021 the Group announced the results of the trenching programme at the Project.

24. EVENTS AFTER THE REPORTING PERIOD (cont'd)

On 24 February 2021 the Group announced the latest phase in its regional gold exploration activities, a stream sediment sampling programme.

Limerick Base Metals Project
On 7 January 2021 the Group announced that the mineral exploration licence for the Limerick Base Metals Project, PL 3824, has been renewed until 26 May 2022.
On 9 April 2021 the Group announced that a structural review of the Limerick licence had identified three principal target exploration zones.

Greenland Projects
On 7 January 2021 the Group announced that the Government of Greenland had decided to roll over to 2021 the initiatives which were first applied in 2020 in response to the COVID-19 pandemic, so that for all mineral exploration licences in Greenland the exploration expenditure obligations for the year 2021 will be reduced to zero and the existing licence period will be extended by one year.

Amitsoq Graphite Project
On 9 February 2021 and on 28 April 2021 the Group announced the results of metallurgical test work on samples taken from the Amitsoq Graphite Project.
On 7 May 2021 the Group declared exploration targets for the Project.