Company No. 5285814

Alba Mineral Resources plc

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2021

Alba Mineral Resources plc

CONTENTS

Alba Mineral Resources plc

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS
George Frangeskides (Chairman)
Michael Nott
Manuel Lamboley (resigned 8 December 2020)
Elizabeth Henson (appointed 8 December 2020)
Lars Brünner (appointed 8 December 2020, resigned 23 September 2021)

SECRETARY
Ben Harber

REGISTERED IN ENGLAND & WALES
Company Number 05285814

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5 St. John's Lane
London EC1M 4BH

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One Broadgate
London EC2M 2QS

AUDITOR
PKF Littlejohn LLP
15 Westferry Circus
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165 Fleet Street
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3 Millennium Centre
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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 2021.

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 12).

Chairman's Statement

Our overall objective is to unearth hidden value from previously drilled or mined projects and to this end we are advancing multiple projects in the UK and Ireland including the Clogau-St David's Gold Mine, the Gwynfynydd Gold Mine, the Dolgellau Gold Exploration Project, and the Limerick Base Metals Project. Additionally, we hold significant stakes in two investee companies: GreenRoc Mining plc ('GreenRoc'), a Greenland-dedicated listed vehicle, which we spun out during the year to fast-track the development of its advanced graphite and ilmenite projects; and Horse Hill Developments Ltd ('Horse Hill'), a UK based oil producer.

Much of our energy has been focused on our most advanced asset, the Clogau-St David's Gold Mine, where we hope to commence commercial processing/production in the near future and take advantage of the strong gold price. Notably, Welsh gold fetches a premium over normal gold spot price, placing us in a strong position to pursue commercialisation opportunities such as entering into a JV/offtake with a luxury international brand or producing gold coins/bars for investment.

Since mid-2018, we have undertaken circa 3,500 metres drilling from surface and underground at Clogau, just under half of which was done during 2021, resulting in the identification of several high-priority development targets. New discoveries include the Upper Lode in the Llechfraith Payshoot and the New Branch Lode in the Main Lode System. As shareholders will be aware, Natural Resources Wales ('NRW') turned down our permit application to dewater the Llechfraith Shaft, but we remain hopeful of resolving the outstanding issues and proceeding with the dewatering so that we can access the Llechfraith Payshoot.

Notwithstanding this setback, having acquired and installed an operating pilot processing plant in late 2020, we have used the plant this year to process material from Clogau's historic waste tip this coming year. The waste tip returned elevated gold grades of up to 9.89 g/t from an initial sampling programme in mid-June 2021, and gold grades of up to 11.35 g/t from a second programme post period end. Given the fine nature of the material that has the potential to filter downwards, we are exploring options to take a second bulk sample from the lower reaches of the waste tip that could further strengthen the project's economic viability in tandem with developing a mining plan. Current estimations of the higher-grade portion of the dump indicate an in-situ tonnage of approximately 11,000 tonnes, of which up to 4,000 tonnes of fine material (<20mm) could be available for processing for gold.

We also made advances at our exploration licence which hosts the Gwynfynyndd Gold Mine located north of Clogau, as well as other exciting regional gold prospects, with work comprising digitisation of a mine plan and 3D modelling, stream sediment sampling, and data compilation including regional geophysics from the 1970s. We are now laying the groundwork to advance plans for more exploration work to define resources in previously unmined areas as well as in-mine targets.

CHAIRMAN'S STATEMENT

The wider 188 km2 Dolgellau Gold Exploration Project, where there are some 300 historical workings and circa 11 past producing gold mines including Clogau and Gwynfynydd, is equally exciting. During the year, we were granted an additional exclusive mineral exploration licence for a further six years in line with our overall plan for continued regional exploration of the Dolgellau Gold Field. Having previously undertaken an extensive regional exploration campaign, including collecting and assaying circa 2,000 soil samples, our work in the year has refined the resulting data into six primary gold targets for follow-up investigation. This includes a 1.8 km long structure to the east of the Brintirion Fault, which cuts through and displaces the lodes between the Clogau and St David's workings, and a 2 km long target in the north-east of the project area, previously partially tested by trenching in late 2020.

A new high-grade regional gold target, Hafod Owen, was also identified within the exploration licence in July 2021, with grab samples grading up to 24 g/t. We are now planning a high-resolution UAV (drone-based) aeromagnetic geophysical survey to pinpoint the bedrock sources of geochemical anomalies and refine targets for follow up groundwork including drilling.

As we move further into 2022, our Limerick Base Metals Project is also gaining traction. Located in the Irish Ore Field, home to some of Europe's largest zinc-lead projects, this project is surrounded by active zinc-lead exploration projects including Stonepark, Carricklittle and Bulgadden. We have identified three principal exploration target areas for follow-up exploration activities and are currently in the process of planning for exploration drilling, which we hope will commence H2 2022.

A key event during the year was our successful spin-out listing on AIM of our portfolio of Greenlandic assets. The new AIM-quoted vehicle which now holds 100% of those assets, GreenRoc Mining plc, is led by an experienced, Greenland-focused senior management team. Post period end, GreenRoc announced the departure of CEO Kirk Adams and that Director Lars Brünner would be taking over as interim CEO pending confirmation of a permanent appointment. We are confident that GreenRoc is well positioned for significant growth in the year ahead. Alba has a 54% stake in GreenRoc.

GreenRoc's graphite and ilmenite projects are particularly exciting:

- Amitsoq, in southern Greenland, is one of the highest-grade graphite deposits in the world. Post period end, having completed a drill programme during 2021, GreenRoc announced a maiden Mineral Resource at the Amitsoq Island Deposit of 8.28 million tonnes (Mt) at an average grade of 19.75%, giving a total graphite content of 1.63 Mt. This includes a particularly high-grade contribution from the Lower Graphite Layer of 3.67 Mt at a grade of 21.19%, for 0.775 Mt of contained graphite. The Exploration Target at the Amitsoq Island Deposit has also increased to a tonnage range of 5-15 Mt at a grade range of 18-22% Graphitic Carbon (Cg). GreenRoc is now in the process of planning and procuring drilling services to drill out the remaining extent of the Exploration Target area at the Amitsoq Island deposit this summer, after which it is hoped to have the resource basis to undertake a detailed feasibility study on the deposit. Further upside is expected from the as yet undrilled Kalaaq Deposit to the south of Amitsoq.

- Thule Black Sands (or TBS) is a high-grade ilmenite project in north-west Greenland, extensively drilled with 10km of mineralised strike length and moving into the development phase. With Phase 2 drilling completed in 2021 to provide the basis for a Scoping Study, EIA/SIA and, ultimately, mining licence application, we are hopeful of a significant upgrade in the quantum and classification of the existing Mineral Resource at TBS.

Recent welcome news from the Horse Hill oil field, in which we have an investment of 11.675% via our holding in Horse Hill Developments Limited, is the grant of a full Production Permit ("PP") from the Environment Agency, enabling production and water re-injection operations, incineration of waste gas, maintenance/workovers and the drilling of further development wells under a single permit, a move forward from the umbrella of testing permits in place to date. We look forward to hearing of the Operator's plans for enhancing productivity and delivering on the inherent, and to date largely untapped, value of the Horse Hill Oil Field.

As well as developing our existing assets and supporting our investee companies, all with a view to moving from explorer to developer/producer, we remain focused on securing additional complementary assets that meet our requirements of being either brownfield (ex-production) sites or advanced exploration (previously drilled) assets. We will update the market in this regard when appropriate.

Financial Review

The most significant financial event during the year ended 30 November 2021 was the group reorganisation and IPO to create the new Greenland-focused, AIM listed group, GreenRoc Mining plc. As Alba owns 54 per cent of the GreenRoc group after the IPO, GreenRoc group is fully consolidated within Alba Group with a significant non-controlling interest arising in the balance sheet.

GreenRoc paid Alba £6 million in shares before costs for the Greenlandic projects, against a book value of £2.7 million, a tangible vote of confidence in Alba's strategy to unearth hidden value from previously drilled or mined projects. That market valuation cannot be reflected in the balance sheet of the new Group (as it is treated as intragroup profit and eliminated from the accounts), but the benefits of the transaction to the Group are clear with a cash injection of £5 million from the IPO to progress the Greenland projects.

For a more detailed financial review, see the Strategic Report following this statement.

Outlook

Our objective remains to expose our shareholders to a continuous stream of high impact activity, and in line with this we are focused on ensuring 2022 builds on the successes we have had over the past few years with multiple exploration and development programmes underway or planned. We also anticipate a steady stream of news flow from our investee companies, principally GreenRoc, as it fast-tracks the development of its exciting projects in the critical minerals space. As recent events in eastern Europe have reminded us, the need for Britain, Europe and the US to ensure ongoing security of supply of critical natural resources and to phase out overreliance on any one producer state, is set to become ever more pressing in the months and years ahead.

Alba Mineral Resources plc

CHAIRMAN'S STATEMENT

Our focus at Alba on near-term projects in safe jurisdictions with multiple follow-up targets, access to existing infrastructure and relatively short timelines to achieving value-enhancing development milestones has served us well. We intend to build on this going forward and while there is still much value to be generated in our existing assets, we continue to evaluate potential new projects to strengthen our portfolio further.

I look forward to providing shareholders with further updates on our progress as we focus on ensuring the underlying value of our assets and investments is more fully reflected in our share price.

Finally, I would like to take this opportunity to thank the Board and our management team for their continued dedication and support over the course of the year. I look forward to continuing our work in the year ahead as we focus on delivering on our overriding objective, which is to generate significant value for all our shareholders.

George Frangeskides, Executive Chairman, 18 May 2022

STRATEGIC REPORT

The Directors present the strategic report for Alba Mineral Resources plc for the year ended 30 November 2021.

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 12).

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 an investment in the onshore UK oil and gas sector.

The Group's stated focus is unearthing hidden value from previously drilled or mined projects. 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 across the portfolio is given in the Chairman's Statement on pages 2-5.

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.

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 and has successfully secured significant funding for its Greenlandic assets via the IPO of GreenRoc Mining plc.

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; 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.

In respect of (i), GreenRoc Mining plc announced a maiden Mineral Resource estimate for the Amitsoq graphite project on 8 March 2022. A Maiden Resource based on this season's drilling campaign at Amitsoq, which was planned and executed by Alba, and the successful IPO of the suite of Greenland projects into GreenRoc Mining plc, are both material indicators of value being added to the Company.

STRATEGIC REPORT

In respect of (ii), our successful drilling in 2021 has resulted in the identification of two significant new mineralised zones at Clogau, the Main Lode Extension and the Lower Llechfraith Extension.

In respect of (iii), the achievement of this milestone is subject to a number of factors, both within and outside the control of the Company. It remains a KPI for the Company.

For the coming year the Board has identified the following areas of focus:

(i) Securing the necessary permissions and then undertaking development to access one or more key underground mine targets within the Clogau-St David's Gold Mine.

(ii) Submitting a planning application for the exploitation of the Waste Tip at the Clogau-St David's Gold Mine and/or for the reopening of the Clogau-St David's Gold Mine for commercial production.

(iii) A maiden Mineral Resource estimate being announced in respect of at least one of Alba's projects or investments or that the declared level of Resources on any project or investment is increased.

(iv) The identification and securing of an interest in a mining project which is complementary to the Company's existing portfolio and where the Company has determined there is significant potential for near-term production.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties facing the Group are:

(i) Funding risk – the risk that the group will not be able to raise sufficient funds to continue as a going concern or to progress exploration activities;

(ii) Exploration risk – the risk that exploration programmes are not successful: and

(iii) Global events – such as recent geopolitical uncertainty and public health incidents.

<u>Funding risk</u>

As reported in Note 1b) to these Accounts, there is a material uncertainty that the Group can obtain sufficient funding to continue as a going concern as it does not have cash to cover 12 months of planned spend. Given its strong track record in raising funds as needed, the Directors have prepared these accounts on the going concern basis but must highlight this to users of the Report and Accounts. For further information see Note 1b) on page 33.

<u>Exploration risk</u>

Every project has exploration risk attached, being the risk that the project is not successful in finding, developing and/or extracting sufficient quantities of minerals to be commercially viable. Specific risks are identified, evaluated and addressed on a project-by-project basis and can include finding insufficient reserves of minerals, difficulty in accessing minerals identified or complexity of extraction methods required, obtaining environmental or regulatory consents required for development, meeting commitments under a licence and licence expiry dates. The Company considers all such matters when evaluating and planning its activities.

<u>Global events</u>

Both funding risk and exploration risk can be materially increased by the impact of international geopolitical, financial and public health developments. Notably, any resurgence of the global Coronavirus (COVID-19) pandemic may adversely affect the Company's ability to implement its planned overseas exploration programmes in the future, 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. Geopolitical conflict such as the war in Ukraine can have a negative effect on capital markets and the availability of funding, but equally could foster interest in UK oil production and mineral resources from stable jurisdictions such as those assets held by the Alba Group.

Alba Mineral Resources plc

STRATEGIC REPORT

FINANCIAL REVIEW

<u>Income Statement</u>
Group operating losses of £1,044,000 during the period reflect the growth of the group this year. A new Board at GreenRoc Mining, the newly created Greenland-focused subsidiary, plus the appointment of a COO at Alba and other new permanent employees of the group, mean increased staff costs. These new teams should relieve the pressure on the legacy Alba team and ensure the rapid development of the projects bringing commercial activities closer to reality.
Additionally, administrative expenses to 30 November 2021, although containing only two months of GreenRoc group, will inevitably be higher due to the costs of running a second listed entity and the advisory and exchange fees that necessitates.

At parent company level, the profit on disposal of the Greenlandic subsidiaries highlights the success of the transaction in realising value from the market for Alba's assets.

The significant exceptional cost in 2021 is the impairment of the Group's investment in Horse Hill, an impairment of £615,000 in line with that published by the majority owner and operator, UK Oil & Gas plc ("UKOG") in their recent results. There is of course intrinsic value in the oil underground at Horse Hill, and we look forward to any further developments there as they are reported by UKOG since the recent announcement of grant of a full Production Permit.

<u>Balance sheet</u>
Group net assets have increased to £12.9 million from £10 million at last year end. As stated above, the investment in HHDL has been impaired to £3.4 million. The assets of GreenRoc Mining plc, being the Greenlandic projects, are retained at book valuation being capitalised exploration spend to date, not taking account of the "market" valuation uplift arising when GreenRoc purchased them for £6 million. This fair value uplift of £4m net of tax is shown in GreenRoc's standalone published accounts but is deemed to be intragroup profit and is eliminated in this group consolidation, so that GreenRoc's project assets are shown at a lower value in Alba's group balance sheet through accounting convention.

During the period significant capital project spend was made – additions of £2.6 million across the Group, the majority being cash outflows. Spend was principally on drilling and other exploration at Clogau, and in two field programmes in Greenland which were planned, executed and part funded by Alba before being passed on to GreenRoc.

To have funded such extensive activity is testament to the Group's focus on value-for-money and cash management.

<u>Section 172(1) Statement</u>
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,

Alba's stated activities are exploration and development. The nature of such activities requires a long-term perspective as it may take several years' work on a project to bring it to the point of crystallising value. In the evaluation of projects, both those in the portfolio and those identified as prospects for the Company, the Company always considers the long-term potential of the project.

STRATEGIC REPORT

- Act fairly between the members of the Company,

The Company does not differentiate between members in terms of access to information – all information is shared via the regulatory news service as required by AIM and any other communications are via public channels such as Twitter.

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.

- Maintain a reputation for high standards of business conduct,

The Directors are committed to high standards of business conduct and promotes these via policies and procedures such as its anti-bribery and whistle-blowing policy, and a share dealing policy for dealings in shares by Directors and senior employees and requiring adherence to the same by key suppliers.

- Consider the interests of the Company's employees,

As a small Company Alba does not have a large workforce other than the Board and management personnel. All employees have direct access to senior management. The Company demonstrates consideration of the interests of the team by enforcing safe working practices on sites, giving employees a range of opportunities for career development and offering competitive remuneration.

- Foster the Company's relationships with suppliers, customers and others,

The Company endeavours to use suppliers and services local to the projects where possible. A recent circular to local landowners near the gold projects in Wales was in both English and Welsh and a Welsh-speaking geologist has recently joined the team based in the local office. The Company has also sponsored signage at a local football club in North Wales and held an open day near the site for the community to learn more about the project activities. The Company also works with other stakeholders such as regulatory and environmental bodies (see below) and The Crown Estate.

- Consider the impact of the Company's operations on the community and the environment.

The Company liaises closely with local and national regulatory and environmental bodies and professional advisers to ensure that the Group's activities are properly permitted and approved. Our operations in Wales are undertaken in accordance with all applicable planning, environmental and ecological regulations, and we work closely with the North Wales Minerals and Waste Planning Service ("NWMWPS"), Snowdonia National Park Authority ("SNPA") and Natural Resources Wales ("NRW") on those matters.

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

George Frangeskides
Executive Chairman, 18 May 2022

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of Alba Mineral Resources plc for the year ended 30 November 2021. 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.

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 12).

RESULTS AND DIVIDENDS

The loss of the Group for the year, after taxation, attributable to equity holders of the parent amounted to £1,699,000 (2020: £2,079,000 loss). The Directors do not recommend the payment of a dividend (2020: £nil).

DIRECTORS

George Frangeskides and Michael Nott 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.

Lars Brünner resigned on 23 September 2021.

DIRECTORS' INTERESTS

The beneficial interests of the Directors who held office at 30 November 2021 in the share capital of the Company, and those of their connected parties, were as follows:

	No. of Ordinary shares 2021	No. of Ordinary shares 2020
G Frangeskides	37,893,290	37,893,290
M Nott	52,387,230	52,387,230

On 19 January 2022 George Frangeskides purchased approximately 10,221,909 further ordinary shares in the Company.

SUBSTANTIAL SHAREHOLDERS

The Company has identified the following interests of 3% or more in its issued share capital at 12 May 2022:

	No. of Ordinary shares	Percentage holding
HARGREAVES LANSDOWN (NOMINEES) LIMITED	797,326,049	12.4%
BARCLAYS DIRECT INVESTING NOMINEES LIMITED	561,555,204	8.8%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	491,868,906	7.7%
HARGREAVES LANSDOWN (NOMINEES) LIMITED (HLNOM)	490,568,513	7.7%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	410,970,546	6.4%
HSDL NOMINEES LIMITED (MAXI)	389,654,092	6.1%
HSDL NOMINEES LIMITED	344,551,586	5.4%
HARGREAVES LANSDOWN (NOMINEES) LIMITED (VRA)	283,899,999	4.4%
PERSHING NOMINEES LIMITED	272,211,475	4.3%
VIDACOS NOMINEES LIMITED	194,011,237	3.0%

DIRECTORS' REPORT

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 22).

EVENTS AFTER THE REPORTING PERIOD

See Note 25 and the Chairman's Statement from page 2.

FUTURE DEVELOPMENTS

See Chairman's Statement "Outlook" on page 4.

AUDITOR

During the year, Nexia Smith & Williamson resigned as auditors and PKF Littlejohn LLP was appointed to fill the vacancy. A resolution to confirm this appointment 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, 18 May 2022

STATEMENT OF DIRECTORS' RESPONSIBILTIES

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 international accounting standards in conformity with the requirements 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 Group and Company 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 international accounting standards 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 Group and 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.

The Company is compliant with AIM Rule 26 regarding the Company's website.

Alba Mineral Resources plc

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 Chairman of the Board is responsible for ensuring the Board functions effectively, particularly with regards to Corporate Governance matters.

The Board adopted the Quoted Companies Alliance Corporate Governance Code (the "Code") in line with the changes to the AIM Rules for Companies ("AIM Rules") requiring 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 fully 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 Wales (gold), and Ireland (base metals), as well as having investments in the onshore UK oil and gas sector and in GreenRoc Mining plc, a Greenland-focused exploration company established and listed on AIM (LON:GROC) in September 2021.

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. 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 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 News Service ("RNS") and on our website and shareholders and other interested parties can subscribe to automatic RNS updates via our website.

The Group is also active on social media via Twitter @AlbaMinerals, and the Executive Chairman regularly participates in interviews on investment channels such as Vox Markets including Q&A sessions. The Group also hold occasional investor webinars. These are usually well attended and have been an invaluable alternative to in-person events since Covid-19 emerged.

Shareholders can contact the Company via info@albamineralresources.com . 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 information.
The Board maintains regular contact with the Company's advisers, notably our Nominated Adviser (or "Nomad"), SPARK Advisory Partners, and our retained broker, ETX Capital, which also assists the Company in understanding 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 undertaken in accordance with all applicable planning, environmental and ecological regulations, and we work closely with the NWMWPS, SNPA and NRW on those matters. We have attended a local community council meeting near our activities in Wales, and recently held an open day at a local village hall to engage with local residents.

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. 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 the 2021 Report and Accounts in Notes 1 and 22 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 a 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.

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 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.

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

For the majority of the year ended 30 November 2021, the Board comprised the Executive Chairman and three Non-Executive Directors, being compliant with the Code in respect of having two independent Non-Executive Directors, Elizabeth Henson and Lars Brünner. In September 2021 Lars Brunner stood down from the Board. As a result, the Company now has two Non-Executive Directors, Elizabeth Henson (independent) and Mike Nott, who is not considered to be independent.

The Board is aware that the QCA 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 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 update Board meetings also held periodically. During the year, six scheduled Board meetings were held and attendance was as follows: George Frangeskides 6/6, Michael Nott 6/6, Elizabeth Henson 5/6, Lars Brünner 3/ 4. Various additional ad-hoc meetings took place to approve specific actions.

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 or her 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 three Directors and, in addition, the Company employs Ben Harber of Shakespeare Martineau LLP to act as 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. The Group employs a COO and CFO.

Further information about the Directors' experience, skills, capabilities and personal qualities is published on our website and on page 17 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 mineral 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, CFO and oil and gas technical advisers (about whom further details can be found on the "Board and Management" page of the Company's website and in the latest corporate presentation, also found on the Company's website), the Company retains the services of auditors in the UK, a Nomad, broker and solicitors (for details see page 1).

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 questionnaire-type assessment tool has been undertaken recently.

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 regime ("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.

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.

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

The Audit Committee comprises Mike Nott, Elizabeth Henson and the Group's CFO Sarah Potter, a chartered accountant. The Executive Chairman attends the Audit Committee by invitation. The Committee meets a minimum of twice per year and has met twice in the reporting period in order to consider matters within its remit.

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.

The results of voting on resolutions proposed at the Company's AGM are reported via RNS and recorded in the "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 half-yearly results can be accessed via the Company's website under "Reports and Accounts". Final results and interim results are also released via RNS and therefore also reported in the "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 eight 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, Independent 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.

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 2021 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Cash Flow Statements and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 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 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1b in the financial statements, which indicates conditions that may cast significant doubt on the ability of the group and parent company to continue as a going concern. The group has incurred a net loss of £1.8m during the year ended 30 November 2021. As stated in note 1b, these events or conditions, along with the other matters as set forth in note 1b, indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. The group is reliant on a successful fundraise by the parent company to fund its recurring outgoings and projected exploration expenditure for the twelve months from the date that the financial statements are approved. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- reviewing the cashflow forecast and budgets for the twelve months to 31 May 2023 and the corresponding assumptions used. This included future fundraising, exploration costs, salaries and ongoing regulatory costs;
- discussions with management regarding the future plans and availability of funding; and
- challenging management's assumptions of raising the required funds to support the operations of the group and parent company.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatement. At the planning stage, materiality is used to determine the financial statement areas that are included within the scope of our audit. Materiality applied to the group financial statements was £400,000 (2020: £500,000) with performance materiality set at £280,000. The benchmark for determining materiality of the group was 3% of net assets, based on the areas of significant risk identified. . Net assets include exploration and evaluation assets, cash and cash equivalents and the group's liabilities, being of most interest to the Shareholders and investors.

A benchmark of 70% for performance materiality during our audit of the group and parent company was applied as we believe that this would provide sufficient coverage of significant and residual risks.

We agreed with the audit committee that we would report to them all audit differences identified during the course of our audit in excess of £20,000 for the group. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Materiality applied to the parent company's financial statements was £320,000 (2020: £406,000) with performance materiality of £224,000. The benchmark for determining materiality of the parent company was 3% of net assets, based on the areas of significant risk identified. Net assets include exploration and evaluation assets, cash and cash equivalents and the group's liabilities so as to reflect the balances Shareholders and investors are likely to be interested in. The parent company is the funding vehicle for the exploration work carried out by the subsidiaries. For the parent company, we agreed with the audit committee that we would report all individual audit differences identified during the course of our audit in excess of £16,000 together with any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Component materiality ranged from £84,000 to £350,000, based on their individual net assets.

Our approach to the audit

In designing our audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we assessed the areas requiring the directors to make subjective judgements, for example in respect of significant accounting estimates and judgements including the carrying value of evaluation and exploration assets, accounting for disposal of the Greenland subsidiaries with a related party, intra-group balances and investments in subsidiaries and the consideration of future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

An audit was performed on the financial information of the group's material operating components which, for the year ended 30 November 2021, were located in the United Kingdom, Wales and Greenland.

GreenRoc Mining Plc, Dragonfire Mining Limited, and Aurum Mineral Resources Limited have been assessed as significant components of the group and therefore we designed procedures focused on exploration cost capitalisation and valuation of the exploration assets in accordance with IFRS 6. This work was significant in addressing our key audit matter in respect of capitalised exploration costs and valuation of explorations assets in which the group's exploration costs are recorded.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement 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. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Carrying value of capitalised exploration costs (group)	
As at 30 November 2021, the group held £6,110k of intangible assets, comprising capitalised exploration costs. This is a material amount in its Consolidated Statement of Financial Position. **There is a risk that these assets have been incorrectly capitalised in accordance with IFRS 6 -*Exploration for and Evaluation of Mineral Resources* ("IFRS 6"), and that there are indications of impairment as at 30 November 2021 which have not been identified by Management. Management's assessment of impairment under IFRS 6 requires estimation and judgement particularly in relation to early-stage exploration projects.** **There is a risk that the carrying value of these intangible assets could be overstated (refer to notes 2 and 10).**	We performed the following procedures: • Confirmed that the subsidiaries hold good title to the licence area; • Reviewed the CPR reports for licence areas held by GreenRoc and other available reports for resource estimates to support the assessment of the valuation of the assets; • Assessing the competence and independence of the competent person preparing the report; • Performed tests of detail in respect of the capitalised costs relating to the licences of the Greenland subsidiaries. This included considerations of the recognition criteria within IFRS 6; • Reviewed and challenged management's assessment of impairment in respect of the Greenland subsidiaries. This included challenging the key assumptions, data, and method to determine whether any impairment indicators existed in accordance with IFRS 6; • Reviewed management's forecasts and budgets for the licence areas and compared it to the required minimum expenditure for the succeeding year; and • Assessed progress of the individual projects during the period and post year-end. Based on the procedures performed, we consider management's judgements and estimates in respect of the carrying value of their capitalised exploration costs to be reasonable and the related disclosures appropriate
Carrying value of investments in subsidiaries and intra-group receivables (parent company)	
The parent company holds material investments of £6,616k in its Statement of Financial Position related to its subsidiary undertakings. There are also material intragroup balances of £1,195k as the parent company funds operations in the subsidiaries. **Given the losses in the subsidiaries, there is a risk that the investments in subsidiaries (where intangibles are the main asset) may not be fully recoverable and therefore overstated (refer to notes 2 and 12).**	We performed the following procedures: • Confirmed ownership of the investments in subsidiaries; • Reviewed and challenged management's impairment assessments of the underlying assets of the investments in accordance with IFRS 6 indicators on the licences held; • Assessed the intragroup balance receivables in respect of the requirements set in IFRS 9 – *Financial Instruments* ("IFRS 9"), through reviewing underlying terms and conditions; • Obtained contracts and agreements, reviewing terms and conditions to ensure the accounting treatment is in accordance with international

	accounting standards in conformity with the requirements of the Companies Act 2006; • Considered whether there were any indicators of impairment; • Reviewed management's assessment of expected credit losses on intragroup receivables in accordance with IFRS 9 criteria; and • Considered the appropriateness of the accounting policies and disclosures included in the financial statements. Based on the procedures performed, we consider management's judgements on the recoverability of investments and intragroup balances to be reasonable and the related disclosures appropriate.
Accounting for part disposal of the Greenland Subsidiaries (group and parent company)	
The parent company had three subsidiaries within its portfolio that held exploration licences in Greenland. During the year, Alba Mineral Resources Plc spun out the Greenland subsidiaries into GreenRoc Mining Plc, which simultaneously listed on AIM. **GreenRoc Mining Plc was incorporated on 17 March 2021 with the parent company owning 100% of the shares. GreenRoc Mining Plc then acquired the Greenland subsidiaries from the parent company, thereby being an acquisition under common control.** **Management judgement is involved in determining the accounting treatment of the acquisition as it is outside the scope of IFRS 3.** **There is a risk that the spin out into GreenRoc Mining Plc was not accounted for correctly (refer to note 5).**	We performed the following procedures: • Identified the key contract terms in the sale and purchase agreement; • Held discussions with management to understand and assess the accounting treatment undertaken in respect of the transaction, and provided challenge where appropriate in order to conclude whether the treatment is in accordance with IFRS; • Reviewed and critically assessed management's determination of any fair values linked to the acquisition; and • Considered the appropriateness of the accounting policies and disclosures included in the financial statements Based on the procedures performed, we consider management's judgements on the accounting treatment of the part disposal to be reasonable and the related disclosures appropriate
Carrying value of Investment in Horse Hill Developments Ltd (group and parent company)	
The group holds a material investment of £3,385k in its Statement of Financial Position relating to Horse Hill Developments Ltd. This is classified as a level 3 investment as the fair value is not based on observable market data. **There is a risk that there are indications of impairment as at 30 November 2021 which have not been identified by Management. Management's assessment of fair value under IFRS 13 - *Fair Value Measurement* ("IFRS 13"), requires significant estimation and judgement particularly as it is classified as level 3.**	We performed the following procedures: • Confirmed ownership of the investments; • Reviewed the latest filed accounts of the parent company of Horse Hill Development Limited, being UK Oil & Gas, and assessed whether there are any indications of impairment; • Reviewed the accounting treatment to ensure classification and valuation is in accordance with IFRS 9 and IFRS 13; • Reviewed and challenged management's basis of fair value and accordingly obtained relevant supporting documentation; and

There is a risk that the carrying value of the investment in Horse Hill Developments Ltd is overstated (refer to note 11).	• Considered the appropriateness of the accounting policies and disclosures included in the financial statements. During our audit work the directors recorded an impairment on the carrying value to reflect the impairment also recognised by Horse Hill Developments majority owner, UK Oil and Gas plc. Details of this are disclosed within note 11.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of our cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from Companies Act 2006, AIM rules, mining regulation in the relevant jurisdictions, Employment Law, Anti-Bribery and Money Laundering Regulations and QCA Corporate Governance Code.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - Enquiries of management regarding potential non-compliance;
  - Review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations;
  - Review of minutes of meetings of those charged with governance and RNS announcements; and
  - Review of accounting ledgers for any unusual journal entries which may indicate non-compliance
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the carrying value of the intangible asset and investments as described in the Key Audit Matters section above.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business and review of bank statements during the period to identify any large and unusual transactions where the business rationale is not clear.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alistair Roberts (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor, *18 May 2022*

15 Westferry Circus
Canary Wharf
London E14 4HD

Alba Mineral Resources plc

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Note	2021 £'000	2020 £'000
Other income		23	10
Administrative expenses	4	(1,067)	(554)
Operating loss		(1,044)	(544)
Revaluation of financial liability	16	(180)	-
Revaluation of investment	11	(615)	(1,430)
Finance costs		(1)	(106)
Loss for the year before tax		(1,840)	(2,080)
Taxation	7	-	-
Loss for the year		(1,840)	(2,080)
Attributable to:			
Equity holders of the parent		(1,699)	(2,079)
Non-controlling interests		(141)	(1)
		(1,840)	(2,080)
Earnings per ordinary share			
Basic and diluted	8	(0.027) pence	(0.047) pence

The Accounting Policies and Notes on pages 32 to 56 form part of these financial statements.

Alba Mineral Resources plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2021

	2021	2020
	£'000	**£'000**
Income for the year	(1,840)	(2,080)
Items that may subsequently be reclassified to profit or loss:		
- Foreign exchange movements	(1)	(61)
Total comprehensive income	(1,841)	(2,141)
Total comprehensive income attributable to:		
Equity holders of the parent	(1,700)	(2,140)
Non-controlling interests	(141)	(1)
	(1,841)	(2,141)

The Accounting Policies and Notes on pages 32 to 56 form part of these financial statements.

Alba Mineral Resources plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 NOVEMBER 2021

	Note	2021	2020
		£'000	£'000
Non-current assets			
Property, plant and equipment	9	137	111
Intangible fixed assets	10	6,110	3,526
Investments – Horse Hill Developments Limited	11	3,385	4,000
Total non-current assets		9,632	7,637
Current assets			
Trade and other receivables	13	178	1,196
Cash and cash equivalents	14	3,948	1,512
Total current assets		4,126	2,708
Current liabilities			
Trade and other payables	15	(671)	(257)
Financial liabilities	16	(221)	(41)
Total current liabilities		(892)	(298)
Net current assets		3,234	2,410
Net assets		12,866	10,047
Capital and reserves			
Share capital	17	5,005	4,984
Share premium		9,877	9,360
Warrant reserve		1,425	1,287
Warrants to be issued reserve		-	416
Dilution of ownership reserve	5	991	-
Other reserves		89	-
Retained losses		(7,421)	(6,153)
Foreign currency reserve		168	169
Equity attributable to equity holders of the parent		10,134	10,063
Non-controlling interests	18	2,732	(16)
Total equity		12,866	10,047

The Accounting Policies and Notes on pages 32 to 56 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 18 May 2022.

Signed on behalf of the Board of Directors
George Frangeskides, Director, Company No. 05285814

Alba Mineral Resources plc

COMPANY STATEMENT OF FINANCIAL POSITION

30 NOVEMBER 2021

	Note	2021	2020
		£'000	£'000
Non-current assets			
Investments – Horse Hill Developments Limited	11	3,385	4,000
Investments in subsidiaries	12	6,616	1,414
Loans to subsidiaries	12	1,195	1,341
Total non-current assets		11,196	6,755
Current assets			
Trade and other receivables	13	104	1,160
Cash and cash equivalents	14	663	1,498
Total current assets		767	2,658
Current liabilities			
Trade and other payables	15	(167)	(256)
Total current liabilities		(167)	(256)
Net current assets		600	2,402
Net assets		11,796	9,157
Capital and reserves			
Share capital	17	5,005	4,984
Share premium		9,877	9,360
Warrant reserve		1,425	1,287
Warrants to be issued reserve		0	416
Retained losses		(4,511)	(6,890)
Equity shareholders' funds		11,796	9,157

The Accounting Policies and Notes on pages 32 to 56 form part of these financial statements.

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 profit for the year was £1,948,000 (2020: a loss of £2,333,000).

These financial statements were approved and authorised for issue by the Board of Directors on 18 May 2022.

Signed on behalf of the Board of Directors

George Frangeskides, Director
Company No. 05285814

Alba Mineral Resources plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2021

	Share capital £'000	Share premium £'000	Warrant reserve £'000	Warrants to be issued reserve £'000	Dilution of ownership reserve £'000	Other reserves £'000	Retained losses £'000	Foreign currency reserve £'000	Attributable to equity holders £'000	Non-controlling interests £'000	Total £'000
At 30 November 2019	**4,583**	**7,128**	**723**	**-**	**-**	**-**	**(4,274)**	**230**	**8,390**	**(15)**	**8,375**
Loss for the year	-	-	-	-	-	-	(2,079)	-	**(2,079)**	(1)	**(2,080)**
Other comprehensive income	-	-	-	-	-	-	-	(61)	**(61)**	-	**(61)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(2,079)**	**(61)**	**(2,140)**	**(1)**	**(2,141)**
Shares and warrants issued	240	2,301	745	416	-	-	-	-	**3,702**	-	**3,702**
Shares issued on conversion	161	137	-	-	-	-	(75)	-	**223**	-	**223**
Share issue costs	-	(206)	-	-	-	-	-	-	**(206)**	-	**(206)**
Equity settled share-based payments	-	-	94	-	-	-	-	-	**94**	-	**94**
Transfer on exercise or expiry of warrants	-	-	(275)	-	-	-	275	-	**-**	-	**-**
Total transactions with owners	401	2,232	564	416	-	-	200	-	**3,813**	**-**	**3,813**
At 30 November 2020	**4,984**	**9,360**	**1,287**	**416**	-	**-**	**(6,153)**	**169**	**10,063**	**(16)**	**10,047**
Loss for the year	-	-	-	-	-	-	(1,699)	-	**(1,699)**	(141)	**(1,840)**
Other comprehensive income	-	-	-	-	-	-	-	(1)	**(1)**	-	**(1)**
Total comprehensive income for the year	-	-	-	-	-	-	(1,699)	(1)	**(1,700)**	(141)	**(1,841)**
Shares and warrants issued	7	162	416	(416)	-	-	-	-	**169**	-	**169**
Shares issued in exchange for ownership interests (not resulting in change in control)	14	355	-	-	-	-	-	-	**369**	7	**376**
Equity settled share-based payments	-	-	153	-	-	-	-	-	**153**	-	**153**
Transfer on exercise or expiry of warrants	-	-	(431)	-	-	-	431	-	**-**	-	**-**
Dilution of ownership (not resulting in change in control)	-	-	-	-	991	-	-	-	**991**	2,806	**3,797**
Subsidiary equity settled share-based payments	-	-	-	-	-	89	-	-	**89**	76	**165**
Total transactions with owners	21	517	138	(416)	991	89	431	-	**1,771**	2,889	**4,660**
At 30 November 2021	**5,005**	**9,877**	**1,425**	**-**	**991**	**89**	**(7,421)**	**168**	**10,134**	**2,732**	**12,866**

The Accounting Policies and Notes on pages 32 to 56 form part of these financial statements.

Alba Mineral Resources plc

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Notes	Share capital £'000	Share premium £'000	Warrant reserve £'000	Warrants to be issued reserve £'000	Retained losses £'000	Attributable to equity holders of parent £'000
At 30 November 2019		**4,583**	**7,128**	**723**	**-**	**(4,757)**	**7,677**
Loss for the year		-	-	-	-	(2,333)	**(2,333)**
Total comprehensive income for the year		-	-	-	-	(2,333)	**(2,333)**
Shares and warrants issued		240	2,301	745	416	-	**3,702**
Shares issued on conversion		161	137	-	-	(75)	**223**
Share issue costs		-	(206)	-	-	-	**(206)**
Equity settled share-based payments		-	-	94	-	-	**94**
Transfer on exercise or expiry of warrants		-	-	(275)	-	275	**-**
Total transactions with owners		401	2,232	564	416	200	**3,813**
At 30 November 2020		**4,984**	**9,360**	**1,287**	**416**	**(6,890)**	**9,157**
Profit for the year		-	-	-	-	1,948	**1,948**
Total comprehensive income for the year		-	-	-	-	1,948	**1,948**
Shares and warrants issued		21	517	416	(416)	-	**538**
Equity settled share-based payments		-	-	153	-	-	**153**
Transfer on exercise or expiry of warrants		-	-	(431)	-	431	**-**
Total transactions with owners		21	517	138	(416)	431	**691**
At 30 November 2021		**5,005**	**9,877**	**1,425**	**-**	**(4,511)**	**11,796**

The Accounting Policies and Notes on pages 32 to 56 form part of these financial statements.

Alba Mineral Resources plc

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Note	2021	2020
		£'000	£'000
Cash flows from operating activities			
Operating loss		(1,044)	(544)
Loss on disposal	5	9	-
Fees settled in shares		32	12
Share based payment charges		237	94
Change in fair value of other investments		-	11
Depreciation	9	5	-
Foreign exchange revaluation adjustment		(1)	(61)
Increase/(decrease) in creditors		386	(89)
Decrease/(increase) in debtors	13	(110)	13
Net cash used in operating activities		(486)	(564)
Cash flows from investing activities			
Payments for deferred exploration expenditure		(2,544)	(483)
Payments for tangible fixed assets		(31)	(26)
Net cash used in investing activities		(2,575)	(509)
Cash flows from financing activities			
Proceeds from the issue of shares and exercise of warrants		1,295	2,423
Costs of issue		(72)	(105)
Proceeds from the issue of shares and warrants - GreenRoc		5,075	-
IPO transaction costs		(800)	-
Proceeds from issue of convertible loan notes		-	192
Finance expense		(1)	(37)
Repayment of short-term borrowings plus financing costs		-	(99)
Net cash generated from financing activities		5,497	2,374
Net increase/(decrease) in cash and cash equivalents		2,436	1,301
Cash and cash equivalents at beginning of period		1,512	211
Cash and cash equivalents at end of year	**14**	3,948	1,512

Significant non-cash transactions in the period not reflected above are:

- Revaluation of the Group's and Company's investment in Horse Hill Developments Limited, impairing the investment value by £615,000 (2020: £1,430,000). The impairment of investment is not included in operating costs so is not reflected in the cash flow statement above. See Note 11.
- Group reorganisation and dilution of ownership as detailed in Note 5, leading to creation of an NCI of £2,806,000 and a Dilution of ownership reserve of £991,000.

The Accounting Policies and Notes on pages 32 to 56 form part of these financial statements.

Alba Mineral Resources plc

COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Note	2021	2020
		£'000	£'000
Cash flows from operating activities			
Operating loss		(265)	(797)
Loss on disposal	5	9	-
Fees settled in shares		32	12
Share based payment charge		153	94
Change in fair value of other investments		-	11
Movement in the expected credit loss provision for loans to subsidiaries		(454)	222
Impairment of intercompany loan		-	69
Foreign exchange revaluation adjustment		62	(62)
Increase/(decrease) in creditors		(98)	(94)
Decrease/(increase) in debtors		(72)	(4)
Net cash used in operating activities		(633)	(549)
Cash flows from investing activities			
Loans granted to subsidiaries	**12**	(1,925)	(538)
Loan repayments received from subsidiaries		500	-
Net cash used in investing activities		(1,425)	(538)
Cash flows from financing activities			
Proceeds from the issue of shares and exercise of warrants		1,295	2,423
Costs of issue		(72)	(105)
Proceeds from issue of convertible loan notes		-	192
Financing costs		-	(37)
Repayment of short term borrowings plus financing costs		-	(99)
Net cash generated from financing activities		1,223	2,374
Net increase/(decrease) in cash and cash equivalents		(835)	1,287
Cash and cash equivalents at beginning of period		1,498	211
Cash and cash equivalents at end of year	**14**	663	1,498

Significant non-cash transactions in the period not reflected above are:

- Revaluation of the Group's and Company's investment in Horse Hill Developments Limited, impairing the investment value by £615,000 (2020: £1,430,000). The impairment of investment is not included in operating loss so is not reflected in the cash flow statement above. See Note 11.
- A profit of £2,869,000 arising from the transfer of three subsidiaries to GreenRoc Mining plc, another subsidiary, for consideration of £6m paid in shares. For more information see Note 5 to the accounts.

The Accounting Policies and Notes on pages 32 to 56 form part of these financial statements.

Notes to the Financial Statements for the year ended 30 November 2021

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 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.

a. Basis of preparation

These consolidated financial statements of Alba Mineral Resources plc 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 November 2021 and with the Companies Act 2006. Numbers have been rounded to £'000.

The consolidated financial statements have been prepared on the historical cost basis, save for the revaluation of certain financial assets and liabilities at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 2.

New and amended Standards and interpretations effective at 1 December 2020

During the year, the Group adopted the following new and amended IFRSs for the first time for the reporting period commencing 1 December 2020:

- Amendments to IAS 1 and IAS 8 – Definition of material
- Amendments to IFRS 3 – Definition of a business
- Amendments to the Conceptual framework for Financial Reporting

There is no material impact on the financial statements following the adoption of these new standards and interpretations.

New standards, amendments, and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 November 2021 reporting periods and have not been early adopted by the Group. These standards include:

- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) that addresses issues that might affect financial reporting after the reform of an interest rate benchmark including its replacement with an alternative benchmark rate. These amendments are mandatorily effective for periods beginning 1 January 2021.
- IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. These amendments are mandatorily effective for periods beginning 1 January 2022.
- IAS 16 - Property, Plant and Equipment - Proceeds before Intended Use regarding proceeds from selling items produced while bringing as asset into the location and condition necessary for it to be capable of operating in the manner intended by management. These amendments are mandatorily effective for periods beginning 1 January 2022.
- IAS 1 – Presentation of Financial statements – The classification of liabilities as current or non-current basing the classification on contractual arrangements at the reporting date. These amendments are effective for periods beginning 1 January 2023.

The Directors do not anticipate that the adoption of these amendments will have a material impact on the financial statements of the Company and the Group in the period of initial application or in future reporting periods. 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.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

b. Going concern

Based on financial projections prepared by the Directors, the Group's current cash resources are insufficient to enable the Group to meet its recurring outgoings and projected exploration expenditure for the entirety of the next twelve months. The Directors have prepared 12-month cash flow forecasts to 31 May 2023 which take into account planned exploration spend, costs and external funding. The need for external funding is a material uncertainty that may cast doubt on the Group's ability to continue as a going concern. At this stage as an explorer the Group does not have a steady income stream and is reliant on external funding sources such as capital raisings or asset transactions to fund activities. The nature of these is ad-hoc and as such the Group does not carry a cash balance sufficient for 12 months of expenditure. However, the Board has a reasonable expectation that the Group will continue to be able to meet its commitments for the foreseeable future by raising funds when required from the equity capital markets and based on the following:

- The Group has a strong track record in sourcing external funding.
- Forecasts contain a level of discretionary spend such that in the event that cash flow becomes constrained action can be taken to enable the Group to operate within available funding. The Group demonstrated this during the Covid-19 pandemic when sourcing capital was uncertain.
- The Group and Company may also consider future joint venture funding arrangements in order to share the costs of the development of its exploration assets, or to consider divesting of certain of its assets and realising cash proceeds in that way in order to support the balance of its exploration and investment portfolio.

For these reasons the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

c. 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. 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.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity within the dilution of ownership reserve.

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.

d. 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 profit or loss for the period.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

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.

e. 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).

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.

f. Non-current assets

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.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

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.

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.

Investment in subsidiaries: Investment in subsidiaries, comprising equity instruments and capital contributions, are recognised initially at cost less any provision for impairment.

g. 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. 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.

The Group classifies its financial instruments as follows:

Financial assets	
Trade and other receivables	Amortised cost
Loans to subsidiaries (Company only)	Amortised cost
Investments	At fair value through profit or loss (FVPL)
Financial liabilities	
Trade and other payables	Amortised cost
Borrowings	Amortised cost
Other borrowings	Amortised cost
Derivative financial instrument	At fair value through profit or loss (FVPL)

1. **ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)**

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.

Loans to subsidiaries: Long-term 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.
A loan will be subject to impairment review if there is an indicator of impairment, such as the impairment of the value of the deferred exploration intangible asset within the relevant subsidiary. 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.

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 through profit and loss. Information about the methods and assumptions used in determining fair value is provided in Note 11.

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.

Derivative financial instrument
A derivative financial instrument is recognised for the 10% call option over the remaining shares in the Clogau gold project not owned by the Group. This has been valued based on management's best estimate and classified as fair value through profit and loss so that any future change in the valuation of the liability will be recognised through the profit and loss account. See Note 16 to the Accounts.
A 4% net smelter return royalty was also agreed as part of the consideration. The Company has a buy-back right in respect of any proposed sale of the royalty. No value has been attributed to this right in these accounts as it cannot be quantified due to uncertainty in reaching commercial production and what the resulting royalty quantum would be likely to be

Borrowings: Initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are then 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.

Other borrowings: recognised initially at fair value and subsequently measured at amortised cost.

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 prior period that that was fully converted prior inside that reporting period).

Leases: The Group does not have any leases within the scope of IFRS16.

h. Equity

Share capital represents the nominal value of equity shares, both ordinary and preference.
Share premium representing the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
Dilution of ownership reserve represents the difference between the fair value of any consideration paid and the relevant share of the fair value of net assets acquired in a dilutive transaction where control is retained.
The nature and purpose of other reserves is shown in Note 19.

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

i. Taxation

The charge for taxation is based on the profit or loss for the year and takes into account deferred tax. The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised directly in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

j. Segmental information

An operating segment is a distinguishable component of the Group which is subject to risks and rewards that are different from those of other segments. In the Group's current portfolio, the geographical location of exploration projects provides the basis for grouping into segments.

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

2. 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 - £2,584,000

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.

2. **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

Impairment assessment of exploration and evaluation costs – £6,110,000

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 - £3,385,000

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 profit or loss (FVTPL).

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 equity accounted for as an associate.

Company only - Impairment assessment of investment in and loans to subsidiaries – £7,811,000

Impairment charges for the year – release of provision £454,000

In preparing the parent company financial statements, the Directors apply judgement to decide if any, or all of the company's investments in (and where applicable loans to) each of GreenRoc Mining plc, Aurum Mineral 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 12 for further details.

ii) ESTIMATES

Carrying value of investment in Horse Hill Developments Limited - £3,385,000

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 11.

Valuation of put and call option over 10% of Gold Mines of Wales – £214,000

The Group has a put and call option over the 10% minority shareholding in Gold Mines of Wales. That option becomes live on the granting of planning permission for production or at an earlier date by agreement. The option expires on 24 August 2028 and was valued at £34,000 on the date of acquisition in 2018. Management has categorised this contingent consideration as a derivative financial instrument at fair value through profit or loss and has estimated the value of the 10% as based on 10% of the accumulated exploration spend on the project to date, being the approximate basis that management would use to value the option should they seek to exercise it.

3. 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:

	2021 £'000	2020 £'000
Total assets		
Exploration and development	6,247	3,637
Oil and gas	3,385	4,000
Current assets	4,126	2,708
	13,758	10,345
Capital expenditure		
Exploration and plant	2,615	502

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:

	2021 £'000	2020 £'000
Total assets		
Republic of Ireland (fully impaired)	-	-
Greenland	3,451	1,687
England & Wales	10,307	8,658
	13,758	10,345

	2021 £'000	2020 £'000
Capital expenditure		
Greenland	1,763	53
England & Wales	852	449
	2,615	502

The administrative expenditure in the income statement primarily relates to central costs or exploration costs that cannot be capitalised. During the period oil and gas investments were revalued downwards by £615,000 (2020: £1,430,000).

4. EXPENSES BY NATURE AND AUDITOR REMUNERATION

Auditor's remuneration:

	2021	2020
	£'000	£'000
Current auditor (PKF Littlejohn LLP)		
- Group audit services	35	-
- Subsidiary audit services	32	-
- Taxation advice	6	-
- Corporate finance services relating to IPO (costs in equity)	60	-
- Taxation advise relating to IPO (costs in equity)	12	
Auditor's remuneration (previous auditor)		
- Group audit services	-	33
	145	33

Tax and corporate finance services relating to the IPO were shared with the minority shareholders of GreenRoc Mining plc and respective shares of these costs are included within the Company's investment in GreenRoc Mining plc and the NCI share of assets.

Expenses by nature:

	2021	2020
	£'000	£'000
Staff costs (including share based payments and options)	628	255
Professional fees	260	243
Consultancy and exploration expenditure not capitalised	108	83
Office, travel, PR, other	90	93
Costs of FX	7	(61)
Depreciation	5	-
Settlement of historic claims	(31)	(59)
Administrative expenses	**1,067**	**554**

	2021	2020
	£'000	£'000
Other income		
Government grants	7	10
Services provided	16	-
	23	**10**

5. ACQUISITIONS, DISPOSAL, STRUCTURE CHANGES AND DILUTION WITHOUT LOSS OF CONTROL

Disposal of Brockham oil and gas asset

In June 2021 the Company announced that it was disposing of its 5% licence interest in the Brockham oil field to the Operator, Angus Energy. The consideration, in settlement of certain back costs and a contribution toward eventual abandonment costs, involved the payment by Alba to Angus of £32,000 plus VAT, settled as to £6,400 in cash and £32,000 by the issue of shares in Alba. The asset was fully written down in a prior period, and the net impact of the transaction was a loss of £9,000 within administrative expenses.

Acquisitions of non-controlling interests

On 21 July 2021 Alba announced the purchase of the non-controlling interests in Obsidian Mining Limited and White Fox Resources Limited, being 10% and 15% (49% with an agreed dilution applied for non-funding) respectively. Alba paid a total of £370,000 by the issue of shares for these non-controlling interests.

Under IFRS 3, for fully consolidated entities where the parent has control, any subsequent transactions in subsidiary equity interests between the parent and non-controlling interests (both acquisitions and disposals that do not result in a loss of control) are accounted for as equity transactions.

Consequently, there was no remeasurement of the net assets of the entities to fair value and the amounts paid are shown as additions in Note 12.

Group structure changes - GreenRoc Mining plc

On 28 September 2021 Alba sold its 100% holdings in Obsidian Mining Limited, White Eagle Resources Limited and White Fox Resources Limited to GreenRoc Mining plc for gross consideration of £5,950,000 in shares and £50,000 cash (offset against £50,000 unpaid on incorporation of that company).

As the Group did not lose control of the assets of the subsidiaries this transaction was not treated as a disposal in the consolidated accounts, and the fair valuation uplift accounted for by GreenRoc Mining plc in its group accounts has been eliminated within the Alba Group accounts.

The accounting for the transaction at Company level is shown below:

	Company accounts £'000
Consideration – Fair value of shares in GreenRoc	5,950
Consideration – Cash	50
Transaction fees borne by Alba	(500)
	5,500
Assets disposed of	
Investment in subsidiaries	(668)
Loans to subsidiaries - assigned	(2,003)
Profit on intragroup disposal in company income statement	**2,829**

Dilution without loss of control

On the same date as the transaction above, GreenRoc Mining plc issued further shares in an Initial Public Offering ("IPO") on the AIM section of the London Stock Exchange to raise funds of £5.1 million. That transaction diluted Alba's holding in GreenRoc Mining plc and generated a Non-controlling interest ("NCI"). Alba retains 54% of GreenRoc Mining plc and fully consolidates it.

Where control is retained, dilution/partial disposal is accounted for in owners' equity and a specific reserve has been created in the consolidated accounts for the movement generated by the various consolidation entries.

6. DIRECTORS' EMOLUMENTS AND STAFF COSTS

During the period the Company had on average 10.1 (2020: 4.25) employees each month, being the Directors (who are the key management personnel) plus finance, geological and local site staff. Where eligible, Directors and other staff accrue benefits under a money purchase auto-enrolment scheme held in NEST.

	Costs incurred by:		**2021**	**2020**
	Alba Mineral Resources plc	GreenRoc Mining plc	**Total Group**	**Total Group**
	£'000	**£'000**	**£'000**	**£'000**
Directors' remuneration (see table below)	334	60	**394**	202
Directors' social security costs	19	4	**23**	14
Staff costs				
Salaries and wages	247	71	**318**	34
Share based payment charges	31	23	**54**	17
Social security costs	26	7	**33**	4
Defined contribution pension scheme	5	1	**6**	1
Fees classified as consultancy	(39)	-	**(39)**	(17)
Costs recharged to projects	(161)	-	**(161)**	-
Staff costs reported in administrative expenses (Note 4)	462	166	**628**	**255**
Average number of employees	10.1	6*	**10.9****	4.25

* GreenRoc employees from 28 September 2021 only, so this is an average based on two months only.
**Group average number of employees includes five employees from GreenRoc as one is already counted in Alba's employee numbers.

Directors' remuneration:

	Fees	**Salaries**	**Bonus**	**Pension**	**FV of options vesting**	**Total**	**Fees**	**Salaries**	**Pension**	**FV of options vesting**	**Total**
	2021	2021	2021	2021	2021	**2021**	2020	2020	2020	2020	**2020**
	£'000	£'000	£'000	£'000	£'000	**£'000**	£'000	£'000	£'000	£'000	**£'000**
G. Frangeskides	43	115	-	1	56	**215**	43	102	1	46	**192**
G. Frangeskides - GreenRoc	-	9	20	-	16	**45**	-	-	-	-	**-**
Fees capitalised	(15)	-	-	-	-	**(15)**	(32)	-	-	-	**(32)**
M. Nott	6	18	-	-	8	**32**	1	18	-	4	**23**
M. Lamboley	5	2	-	-	-	**7**	5	14	-	-	**19**
L. Brünner	-	19	2	-	25	**46**	-	-	-	-	**-**
L. Brünner - GreenRoc	-	5	10	-	-	**15**	-	-	-	-	**-**
E. Henson	-	23	-	1	25	**49**	-	-	-	-	**-**
Total	**39**	**191**	**32**	**2**	**130**	**394**	**17**	**134**	**1**	**50**	**202**

Note 24 gives further details of transactions with the Directors.

6. DIRECTORS' EMOLUMENTS AND STAFF COSTS (continued)

During the year the Company granted warrants or options to the Directors as follows:

	2021 No	2020 No
George Frangeskides	-	140,000,000
Michael Nott	-	15,000,000
Manuel Lamboley	-	-
Lars Brünner	8,000,000	-
Elizabeth Henson	8,000,000	-

The warrants issued to Mr Brünner and Ms Henson have an exercise price of 0.5 pence per share. The warrants vest(ed) as follows: 4,000,000 each on 8 June 2021 and 8 December 2021 and can be exercised until 7 December 2023. Mr Brünner waived the rights to his warrants when he stepped down from the Board.
The total estimated value of the share-based remuneration provided to Directors was £50,000 (2020: £174,000). These values were derived from a Black Scholes model as described in Note 17. The warrants were granted when the share price was 0.41 pence per share and the warrants were valued at 0.031 pence. The warrant value was high as a proportion of market price due to the historic share price volatility.

7. INCOME TAXES

The UK corporation tax rate has been applied throughout the workings below as substantially all of the losses during the year (and historic losses in retained earnings) have been incurred by the parent or other companies resident in the UK for tax purposes. Using a weighted average rate would not change the effective tax rate.

a) Analysis of charge in the period

	2021 £'000	2020 £'000
United Kingdom corporation tax at 19% (2020: 19%)	-	-
Deferred taxation	-	-

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% (2020: 19%). The differences are explained below:

	2021 £'000	2020 £'000
Loss before tax	(1,840)	(2,080)
Profit/ (loss) multiplied by standard rate of tax	(350)	(395)
Effects of:		
Expenses not deductible	201	272
Deferred tax assets not recognised/capital allowances not claimed	149	123
	-	-

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 being Alba Mineral Resources plc and its subsidiaries as listed in Note 12 amounted to £6,436,000 before adjustments required by local tax rules and excluding losses on intra-group transactions (2020: £6,153,000).

8. EARNINGS PER SHARE

The calculation of the basic loss per share is calculated by dividing the consolidated loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year. The diluted earnings per share is the same as the basic earnings per share, as warrants/options are not dilutive due to the loss for the year.

	2021	2020
	£'000	£'000
Loss attributable to group shareholders	(1,699)	(2,079)
Weighted average number of ordinary shares for calculating basic loss per share	6,303,890,811	4,421,614,727
Earnings per share	(0.027) pence	(0.047) pence

9. PROPERTY, PLANT AND EQUIPMENT

Group	Land	Plant and equipment	Total
	£'000	£'000	£'000
Cost			
At 1 December 2019	85	-	85
Additions	-	26	26
At 30 November 2020 and at 1 December 2020	85	26	111
Additions	-	31	31
At 30 November 2021	**85**	**57**	**142**
Accumulated Depreciation			
At 30 November 2020 and at 1 December 2021	-	-	-
Charge for the year	-	(5)	(5)
At 30 November 2021	**-**	**(5)**	**(5)**
Net Book Value at 30 November 2021	**85**	**52**	**137**
Net Book Value at 30 November 2020	85	26	111

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.

10. INTANGIBLE FIXED ASSETS

Group	Exploration and evaluation	Development and production	Total
	£'000	£'000	£'000
Cost			
At 30 November 2019	3,785	374	4,159
Additions	476	-	476
As 30 November 2020	**4,261**	**374**	**4,635**
Additions	2,584	-	2,584
Disposals	-	(374)	(374)
As 30 November 2021	**6,845**	**-**	**6,845**
Amortisation and impairment			
At 30 November 2019 and 30 November 2020	(735)	(374)	(1,109)
Disposals	-	374	374
At 30 November 2021	**(735)**	**-**	**(735)**
Net book value			
At 30 November 2021	**6,110**	**-**	**6,110**
At 30 November 2020	3,526	-	3,526

The Group's intangible fixed assets relate to the Welsh gold projects (Clogau, Dolgellau gold and Gwynfynydd) (£2,659,000), the Limerick base metals project that is fully impaired and the Greenland projects held by GreenRoc Mining plc (£3,451,000). At the year end the amount of liabilities (being creditors and accruals) relating to the exploration and evaluation assets was £460,000.

The Development and Production asset disposed of during the period was the Group's 5% share of the Brockham Oil Project, which was fully written down in 2019. The disposal was made on 15 June 2021. Alba paid Angus Energy, the majority owner and operator of the project, £32,000 by issue of shares. That amount comprised Alba's share of the Plugging and Abandonment provision plus a settlement of invoices due for Alba's share of running costs.

11. INVESTMENTS

Group and Company	**£'000**
At 30 November 2019	5,430
Revaluation of investment	(1,430)
At 30 November 2020	4,000
Revaluation of investment	(615)
At 30 November 2021	**3,385**

The above investment represents an investment in 18.1%* (2020: 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 (see Note 22).

HHDL is a private company with no stock quote. Historically share transactions in the stock have provided bases for valuing the investment. During the period under review there have been no share transactions in HHDL stock nor transactions in licence interests.

The majority owner and operator of HHDL, UK Oil & Gas plc (UKOG) recently announced its results for year ended 30 September 2021 including an impairment of its investment in HHDL based on net present value calculations (utilising an internally generated depletion curve that was independently reviewed). Costs were based on current costs less any anticipated savings. A long-term Brent oil price of US$91/bbl was used being the spot rate at the time of assessment, with a discount rate of 6.3% used being the weighted average costs of capital of Horse Hill Developments Ltd, the holding company of the producing well HH-1). There is inherent uncertainty in any oil field valuation due to the uncertainty of future oil price movements.

The Directors believe that the intrinsic value of the oil field has not been diminished but recognise that UKOG's impairment of its investment in HHDL is an indicator of impairment of the Group's investment in HHDL and that UKOG has access to more information for valuation purposes than the Group.

Accordingly the Directors derived an impairment charge mirroring the per percentage point impairment applied in UKOG's Report and Accounts, approximately £34,000 per percentage point held, resulting in an impairment charge for the year of £615,000 against the prior year Level 3 valuation of the underlying oil field (based on market transactions in comparable UK Onshore oil & gas fields with primary inputs being: the market prices of proven and contingent reserves in recent comparable transactions; oil in place ("OIP") from the HHDL Field Development Plan; and an estimated Recovery Factor, the two combined giving net recoverable oil for HHDL which was 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).
This revised valuation is also a Level 3 valuation under the IFRS 9 hierarchy, as defined in Note 22.

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

**In a prior period 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.*

12. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	Notes	Investments £'000	Capital Contributions £'000	Loans £'000	Total £'000
Company					
At 30 November 2019		**298**	**1,116**	**1,032**	**2,446**
Additions		-	-	538	538
Foreign exchange movements		-	-	62	62
Provision for expected credit losses		-	-	(222)	(222)
Impairment of intercompany loan		-	-	(69)	(69)
At 30 November 2020		**298**	**1,116**	**1,341**	**2,755**
Additions – purchase of minorities	*5*	370	-	-	370
Additions – expenditure		-	-	1,965	1,965
Repayments		-	-	(500)	(500)
Disposals to another group company		(668)	-	(2,003)	(2,671)
Additional holding in subsidiary as consideration, net of costs		5,500	-	-	5,500
Foreign exchange movements		-	-	(49)	(49)
Adjustment to Expected Credit Loss provision		-	-	417	417
Impairment of intercompany loan		-	-	24	24
At 30 November 2021		**5,500**	**1,116**	**1,195**	**7,811**

Upon adoption of IFRS 9 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.
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.

Historic and current data has been used to derive a probability of default and this has been applied across the portfolio of loans.

As reported in Note 5 to the Accounts, during the period the Company disposed of three subsidiaries, whilst still retaining control, to another subsidiary, thus reorganising the Group. Part of the consideration for these subsidiaries was deemed as debt consideration for assignment of £2m of intercompany loans shown in the table above. The effective repayment of these loans to the Company reduced the percentage probability of default across the loan portfolio and reduced the total loan balance, so that a significant proportion of the provision was released during the period.

12. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (continued)

At 30 November 2021 the Company held the following interests in subsidiary undertakings, which are included in the consolidated financial statements:

Name of company	**Country of incorporation**	**Holding at 30 November 2021**	**Nature of holding**	Holding at 30 November 2020	**Business**
Aurum Mineral Resources Ltd	Ireland	100%	Direct	100%	Exploration
Mauritania Ventures Limited	England & Wales	50%	Direct	50%	Non-trading
Dragonfire Mining Limited	England & Wales	100%	Direct	100%	Exploration
Gold Mines of Wales Limited	Jersey	90%	Indirect	90%	Holding Co.
GMOW (Holdings) Limited	England & Wales	90%	Indirect	90%	Holding Co.
GMOW (Operations) Limited	England & Wales	90%	Indirect	90%	Exploration
GMOW Gwynfynydd Limited	England & Wales	100%	Direct	100%	Exploration
GreenRoc Mining plc	England & Wales	54%	Direct	-	Parent
Obsidian Mining Limited	England & Wales	54%	Indirect	90% (direct)	Exploration
White Eagle Resources Limited	England & Wales	54%	Indirect	100% (direct)	Exploration
White Fox Resources Limited	England & Wales	54%	Indirect	51% (direct)	Exploration

GreenRoc Mining plc was incorporated as a wholly-owned subsidiary called Pole Star Resources plc in March 2021.
On 21 July 2021 Alba increased its holdings in Obsidian Mining Limited and White Fox Resources Limited to 100% by acquired non-controlling interests of 10% and 49% respectively.
On 28th September Alba transferred its 100% holdings in Obsidian Mining Limited, White Fox Resources Limited and White Eagle Resources Limited to GreenRoc Mining plc when it listed on AIM in exchange for a 54% share of the enlarged share capital of that company, retaining its interests indirectly.

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.

13. TRADE AND OTHER RECEIVABLES

	Group 2021	Group 2020	Company 2021	Company 2020
Current	**£'000**	**£'000**	**£'000**	**£'000**
Other debtors	159	39	88	27
Prepayments and accrued income	19	29	16	5
Called up share capital not paid	-	1,128	-	1,128
	178	1,196	104	1,160

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

14. CASH AND CASH EQUIVALENTS

	Group 2021	Group 2020	Company 2021	Company 2020
	£'000	**£'000**	**£'000**	**£'000**
Cash at bank and in hand	3,948	1,512	663	1,498

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

15. TRADE AND OTHER PAYABLES

	Group 2021	Group 2020	Company 2021	Company 2020
Current	**£'000**	**£'000**	**£'000**	**£'000**
Trade creditors	481	68	80	68
Other creditors	13	27	13	26
Accruals and deferred income	177	162	74	162
	671	257	167	256

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

16. FINANCIAL LIABILITIES

The Company has no financial liabilities.

Group	Other borrowings	Derivative financial instrument	Total
Financial Liabilities	**£'000**	**£'000**	**£'000**
At 30 November 2019 and 2020	7	34	41
Revaluation recognised in the profit and loss	-	180	180
At 30 November 2021	**7**	**214**	**221**

The derivative financial instrument 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. The option is not yet effective as it is contingent on certain milestones in the project or earlier if by agreement with the other party.

During the period the Group revalued the option based on its original valuation at acquisition plus 10% of the cumulative exploration spend on the Clogau-St David's project since that date. This is the minimum management would expect to pay to acquire the 10% at 30 November 2021 should the option become effective and is their best estimate. The option expires on 24 August 2028.

This is level 3 valuation under the hierarchy of IFRS 9 based on management's best estimate – for details of the valuation hierarchy see Note 22.

17. CALLED UP SHARE CAPITAL

	2021 Number of shares	2021 £'000	2020 Number of shares	2020 £'000
Issued, allotted and fully paid				
Ordinary shares of 0.1 pence	-	-	-	-
Ordinary shares of 0.01 pence	6,404,645,919	641	6,198,078,989	620
Deferred shares of 0.9 pence	93,070,100	838	93,070,100	838
B deferred shares of 0.09 pence	3,918,351,946	3,526	3,918,351,946	3,526
Total	**10,416,067,965**	**5,005**	**10,209,501,035**	**4,984**

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). No new deferred shares were issued during the year.

During the year the Company issued ordinary shares as follows:

	Ordinary shares of 0.01 pence	Ordinary shares £'000	Deferred shares £'000	Share premium £'000	Total £'000
At 1 December 2020	6,198,078,989	620	4,364	9,360	14,344
June 2021 – disposal of investment in Brockham Oil Project settlement of costs	12,407,910	1	-	31	32
July 2021 – acquisitions of NCIs	143,856,920	14	-	356	370
July 2021 – shares issued as payment for project data	15,552,100	2	-	38	40
Various – issues of shares upon exercises of warrants	34,750,000	4	-	92	96
At 30 November 2021	6,404,645,919	**641**	**4,364**	**9,877**	**14,882**

	Warrants	Warrants reserve £'000
At 1 December 2020	997,253,974	1,287
Warrants issued, transferred from "Warrants to be issued reserve"	170,000,000	416
Warrants issued as share based payments	16,000,000	50
Warrants vesting (counted in brought forward balance)	-	103
Warrants exercised	(34,750,000)	(11)
Warrants expired	(339,217,261)	(420)
At 30 November 2021	**809,286,713**	**1,425**

17. CALLED UP SHARE CAPITAL (continued)

Of the warrants outstanding at 30 November 2021, 701,286,713 are vested and able to be exercised. The weighted average exercise price of these vested warrants is 0.47 pence. Where warrants were exercised in the year, the weighted average share price at the date of exercise was 0.37 pence.

As at 30 November 2021 Alba had 809,286,713 warrants and options outstanding:

No. of warrants	Exercise price (pence)	Final exercise date	Vested
60,000,000[3]	0.4 pence	13 January 2027	Awarded under the EMI scheme. Vested.
60,000,000[4]	0.42 pence	2 May 2028	Awarded under the EMI scheme. Vested
16,923,077	0.13 pence	4 September 2022	Vested
236,363,636	0.55 pence	20 September 2022	Vested
50,000,000[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.
160,000,000	0.75 pence	23 November 2022	Vested.
10,000,000	0.375 pence	1 December 2022	Vested.
16,000,000[6]	0.5 pence	7 December 2023	Partially vested.
809,286,713	At 30 November 2021		

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			

[1,2,3,4,5,6] These warrants fall within the scope of IFRS 2 “Share-based Payments” and were issued in 2015, 2016, 2017, 2018, 2020 respectively. The fair value of the warrants issued in 2021 calculated using a Black Scholes model was £50,000. 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.

18. NON-CONTROLING INTERESTS

	Mauritania Ventures Ltd	White Fox Resources Ltd	GreenRoc Mining plc	**Total NCIs £'000**
At 30 November 2019	(9)	(6)	-	(15)
Loss after taxation	-	(1)	-	(1)
At 30 November 2020	(9)	(7)	-	(16)
Acquisition of NCI	-	7	-	7
NCI arising from IPO	-	-	2,806	2,806
Share of loss for the year	-	-	(141)	(141)
Share of other reserves	-	-	76	76
At 30 November 2021	**(9)**	**-**	**2,741**	**2,732**

In July 2021 the company acquired the 49% NCI in White Fox Resources Limited. As there was no change of control this was accounted for as an equity transaction. The ownership of the subsidiary was transferred from Alba Company to GreenRoc Mining plc during the period.

The Group recognises the non-controlling interest in GreenRoc Mining plc at the non-controlling interest's proportionate share of the entity's net identifiable assets as included in the Group balance sheet. These differ from the assets presented in the standalone GreenRoc Mining plc Report and Accounts due to consolidation entries, including elimination of fair valuation uplift generated in the restructuring transaction. This fair value uplift was judged by management to be intragroup profit.

At the balance sheet date NCI hold 46.04% of the share capital of GreenRoc Mining plc with Alba holding 53.96% (see Note 12). Voting rights do not differ from ownership interests.

The Report and Accounts of GreenRoc Mining plc for the period ended 30 November 2021 can be found on their website www.GreenRocmining.com.

19. 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.

Other reserves: The share of proceeds from the issue of warrants by GreenRoc Mining plc attributable to the equity holders of the group.

Reserve arising from partial disposal without loss of control: Non-distributable gains arising from the Group's reorganisation and dilution of its holding in the newly incorporated subsidiary via a successful IPO.

20. CAPITAL COMMITMENTS

As at 30 November 2021, the Group / Company had commitments to spend at least £105,000 in the calendar year 2022 on its Greenland licences (2021: £nil due to COVID-19), being in approximate terms the aggregate minimum expenditure commitments required under the licences after taking into account credit from 2021 expenditure.
The Group is committed to spend €50,000 in the period to May 2022 under the terms of its exploration licence in Limerick, Ireland.

21. CONTINGENT LIABILITIES

A 4% net smelter 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.

22. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise investments, cash at bank and various items such as 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, debtors and the risk the counterparty fails to discharge its obligations. As at 30 November 2020, debtors included £8,100 that was past due but not impaired (2020: £8,100). Given the low number and value of debtors management considers recoverability of any overdue amount individually on an annual basis.
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 12 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.
At 30 November 2021 the management considers that the liquidity risk is not material as sufficient cash is held to meet financial liabilities to be settled in cash.
Future liquidity risk is addressed in Note 1 under the heading "Going Concern".

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. Loans plus interest become 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. No sensitivity analysis has been performed.

22. FINANCIAL INSTRUMENTS (continued)

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 trended upwards from $47 at the start of the year to $70 at the 30 November 2021. At the time of writing the price is >$100 due to the war in Ukraine. However 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.

Categories of financial instrument

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Financial assets				
Investments at fair value through profit or loss:				
Investment in HHDL (Note 11)	3,385	4,000	3,385	4,000
Held at amortised cost:				
Trade and other receivables	159	1,167	88	1,155
Cash and cash equivalents	3,948	1,512	663	1,498
Intercompany receivables net of expected credit losses	-	-	1,195	1,340
	7,492	6,679	5,331	7,993
Financial liabilities				
Liabilities held at fair value through profit or loss:				
Derivative financial instrument (Note 16)	214	41	-	-
Held at amortised cost:				
Trade and other payables	494	95	93	95
Other financial liabilities	7	7	-	-
	715	143	93	95

Valuation of financial instruments

Under IFRS 9 the valuation of financial instruments is categorised based on the inputs used to generate the valuation as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

22. FINANCIAL INSTRUMENTS (continued)

The Group's financial instruments by valuation method:

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Financial assets				
Investments at fair value through profit orf loss account:				
Level 3 valuation – Investment in HHDL (Note 11)	3,385	4,000	3,385	4,000
Financial liabilities				
Liabilities held at fair value through profit or loss:				
Level 3 valuation – Derivative financial instrument (Note 16)	214	-	-	-

For more information on the valuation bases see the relevant Notes referred to above.
Included in the value for HHDL are loans of £2,098,000 (2020: £2,098,000) plus accrued interest. 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.

23. 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.

24. RELATED PARTY TRANSACTIONS

All related party transactions have been conducted at arm's length.
Fees charged by Directors are detailed below and also shown in Note 6. "Directors' emoluments and staff costs".

<u>Company</u>
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 12. Details of transactions between the Company and other related parties are disclosed below.

<u>Group</u>
Stirling Corporate Limited, a company which George Frangeskides, a director of the Company, controls, charged the Group £nil (2020: £3,000) for the provision of financial and administrative services. As at the year-end no amounts were 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 £43,000 (2020: £43,000). Of these fees, £15,000 represents work carried out specifically on the advancement of the Group's project portfolio and have therefore been capitalised. As at the year-end £44,000 (2020: £nil) was owed to Aetos Consulting Limited and £43,000 was accrued for invoices expected. After the year end £44,000 was settled in cash. There are no terms and conditions associated with the outstanding balance.

Woodridge Associates, a trading name of Michael Nott, a director of the Company, charged the Group fees of £6,000 for consultancy services during the year including £1,500 accrued at 30 November 2021.

25. EVENTS AFTER THE REPORTING PERIOD

Corporate
On 19 January 2022 the Company announced that George Frangeskides had purchased approximately 10 million shares in the Company, taking his holding to approximately 48 million shares.

Clogau Gold Project
On 9 December 2021 the Company announced the results of multi-element assays performed on drill core from various drilling activities.

On 11 December 2021 the Company announced that it had commenced sampling at the historic waste rock dump at the Clogau St David's gold mine. Assay results from this exercise were announced on 21 March 2022.

GreenRoc Mining plc - Amitsoq Graphite Project (54% ownership)
On 3 December 2021 GreenRoc Mining announced the assay results from the 2021 drilling programme on the Amitsoq graphite project, planned and executed by Alba. Following on from these, a maiden Mineral Resource was announced on 8 March 2022.

On 12 May 2022 GreenRoc Mining announced a significant tonnage upgrade to the Amitsoq Island exploration target, increasing from a tonnage range of 1.7 Mt-4.5 Mt at a grade range of 24-36% Graphitic Carbon ('Cg') (as announced on 7 May 2021) to a tonnage range of 5-15 Mt at a grade range of 18-22% Cg.

Horse Hill Oil Project
On 18 February 2022 the Company announced that it had been advised that the Court of Appeal had rejected attempts to overturn the granting of production consent for the field and confirming that consent had been granted lawfully.

On 5 May 2022 the Company announced that it had been advised that Horse Hill oil field had been granted a full Production Permit ("PP") that enables production and water re-injection operations, incineration of waste gas, maintenance/workovers and the drilling of further development wells. To date, production at Horse Hill has operated under the umbrella of prior testing consents which excluded any ability to reinject produced saline formation water. Following the PP grant the operator UKOG is undertaking a review of the viability of reinstating Kimmeridge production and further new Portland infill drilling locations.

On 13 May 2022 the Company announced that the North Sea Transition Authority (formerly the Oil and Gas Authority) has granted a one-year extension to the agreed Retention Area work programme at Horse Hill's PEDL137 licence, containing the producing Horse Hill oil field and its underlying Kimmeridge oil pool. The extension grants an additional year in which to drill a second Horse Hill Kimmeridge well, with the commencement of drilling to be prior to 30th September 2023.

War in Ukraine
The war in Ukraine, which commenced after the balance sheet date, has had no direct impact on the Group's activities nor does management expect any material impact in future to its activities or balances in the accounts. No adjustments are required to year end balances. Indirect negative impacts could arise from an increase in prices for goods and/or services in the future or from reduced liquidity in capital markets leading to a tougher fund-raising environment. Positive impacts could arise from increased interest in UK oil production for fuel security and markets looking to source key minerals from more stable jurisdictions in the future.

Change in directorate – GreenRoc Mining plc
On 6 May 2022 GreenRoc Mining plc announced that the CEO was stepping down and that an existing Non-Executive Director would be acting as interim CEO until a new candidate is appointed.

26. ULTIMATE CONTROLLING PARTY

The Directors consider there is no ultimate controlling party.