

Alba Mineral Resources Plc / EPIC: ALBA / Market: AIM / Sector: Mining

24 April 2024

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

**Alba Acquires Option Over Andover West Lithium Project in Western Australia**

Alba Mineral Resources plc (AIM: ALBA) is very pleased to announce that it has acquired an option to purchase a 50% interest in a package of highly prospective lithium exploration licences in the West Pilbara, Western Australia.

**HIGHLIGHTS**

- Alba has secured an option to acquire an initial 50% interest in the lithium rights over the highly prospective Andover West Lithium Project in the West Pilbara, Western Australia (the "Andover West Project" or the "Project"), comprising exploration licence E47-3373 ("AW1") and exploration licence application ELA47-4844 ("AW2") (the "Optioned Licences").
- A significant amount of lithium exploration activity has taken place in neighbouring tenements in recent years, including the discovery at the Andover Project immediately to the east of AW2 of numerous thick, high-grade lithium intersections (e.g. 209.4m @ 1.42% LiO).
- The Andover Project's 60% owner, Azure Minerals, is currently the subject of an approved takeover by Hancock Prospecting and SQM which values Azure at A\$1.7 billion.
- Western Australia already hosts four of the world's biggest lithium mines, with combined reserves exceeding 500 Mt.
- Favourable geology within the Optioned Licences is indicative of the significant lithium potential of the Andover West Lithium Project:
  - The adjacent West Pilbara Lithium Project has identified mineralisation within pegmatites in the Roebourne group basalts. These basalts are also present in the Optioned Licences.
  - Large NE-SW trending structures present in the Roebourne basalts within AW1 have shown high lithium anomalies (1.8% LiO) further south-west in the Osborne JV tenement.
  - A small section of the Andover Intrusion is present in the north-west of AW2. Given the Andover Intrusion hosts the Azure Lithium Discovery (with a target estimate of 100-240 million tonnes grading 1.0-1.5% LiO), this represents a priority target for future exploration.
- If, following the carrying out of confirmatory due diligence during the initial 30-day option period, Alba elects to exercise the option for a 50% interest in the lithium rights over the Optioned Licences, it will pay GBP 250,000 in Alba shares at a premium of 25% above the VWAP of Alba ordinary shares in the 15 trading days prior to the exercise of the option plus 1 for 1 attaching 12 month share warrants at an exercise price of 0.2p per share.
- An unincorporated joint venture shall be formed for the exploration of the lithium rights over the Tenements, with each party contributing to expenditures on a pro rata basis and Alba being appointed Manager with ultimate responsibility for setting budgets and work programmes.
- Alba shall have pre-emption rights and a separate tag-along right in respect of any sale or disposal by the other JV partner of its 50% of the lithium rights in the Tenements.

**George Frangeskides, Alba's Executive Chairman, commented:**

*"We are delighted to have secured an option to acquire a 50% interest in the Andover West Lithium Project in the West Pilbara, including management rights. Western Australia is home to some of the world's biggest and best iron ore, gold and lithium deposits. The West Pilbara, where the Andover West Project is situated, has in recent years seen a surge in exploration for lithium, with the most notable success being the lithium discovery made by Azure Minerals on a neighbouring licence last year which has resulted in its imminent takeover for A\$1.7 billion. High-grade lithium has also been found across a number of other neighbouring licence areas.*

*"While lithium prices have come off substantially in recent times as various global and macroeconomic factors have taken their effect, the underlying fundamentals remain very strong with a significant supply shortfall forecast by the end of the decade. As Andover West is not a near-term production asset, the current price of lithium is not hugely relevant to our decision to invest in this project. Indeed, the massive correction in lithium prices in recent times has only been*

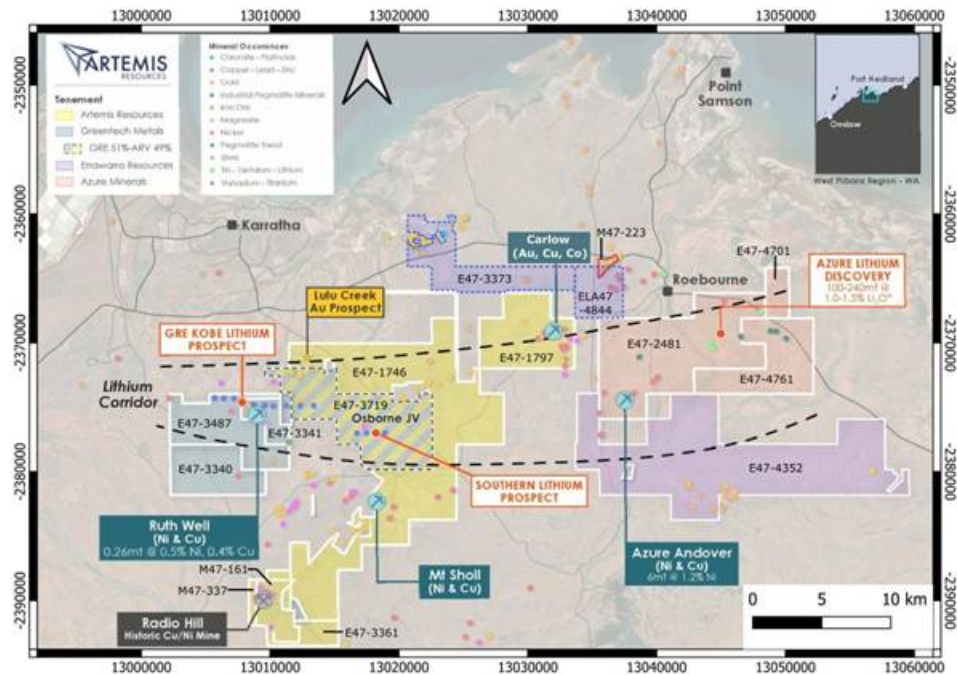
invest in this project. Indeed, the massive correction in lithium prices in recent times has only been to our advantage as we have been able to secure terms with the vendor which I do not think would have been conceivable 12 or 24 months ago. We take a medium to long-term view as we seek to build value for our shareholders.

"We now have a foothold in a world-class mining district to explore for a commodity that is absolutely fundamental to the global energy transition."

## Background

Exploration licence E47-3373 ("Andover West 1" or "AW1") comprises 10 blocks over 10.9 square miles situated in the West Pilbara region of Western Australia (Figure 1). The licence was granted on 5 November 2019 and expires on 4 November 2024, with the right for the licence holder to extend the term thereafter. The licence has previously been explored for gold and iron ore but to Alba's knowledge has never been the subject of any concerted lithium exploration.

Exploration licence application ELA47-4844 ("Andover West 2" or "AW2") comprises 4 blocks over 4.95 square miles immediately to the east of AW1 (Figure 1). The application area has previously been explored for gold. While no records have yet been identified in relation to any previous lithium exploration, the area shares many of the same geological characteristics of AW1 and other highly prospective licences in the neighbouring area.



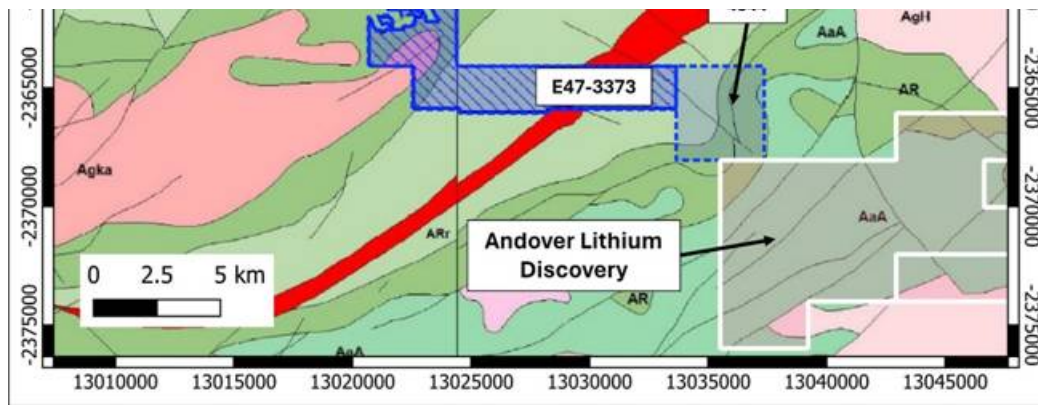
**Figure 1: Location Map. Optioned Licences Andover West 1 (E47-3373) and Andover West 2 (ELA47-4844) shown centre top, shaded blue, with Azure Minerals' Andover Discovery immediately to the east (shaded pink). Other neighbouring lithium projects and prospects also shown. (map courtesy of Artemis Resources, amended)**

## Geological Setting

The regional geology is of Archean age and is known as the Pilbara Block. This block hosts the Roebourne George Creek and Wundoo groups. The Roebourne group is formed of felsic volcanic, ultramafic, mafic extrusive and sedimentary successions in which lithium-bearing pegmatites have been identified. The group is characterised by igneous intrusions along fracture lines into unconsolidated sediment. The regional structures show an overall north-east to south-west trend due to nine identified deformation events. The highest lithium grades returned to date are within the Andover Intrusion.

The dominant lithology present in AW1 is the Regal Formation (part of the Roebourne Group), which is mainly composed of basalts (Figure 2). The West Pilbara Lithium Project (held by Artemis Resources, ASX: ARV) has identified mineralisation within pegmatites in the Roebourne group basalts. It is expected, therefore, that this large, central lithology will be among the most prospective targets for lithium exploration within the licence area.





**Figure 2: Simplified Geology Map with Alba's optional Andover West licences (E47-3373 and ELA47-4844) outlined in blue and Azure Minerals' licences, including the Andover Lithium Discovery, outlined in white.**

There are also large NE-SW trending structures through this lithology, which are associated with lithium-bearing intrusions in licence E47-3719, part of the Osborne Joint Venture project (held by GreenTech Minerals (ASX: GRE) as to 51% and Artemis as to 49%).

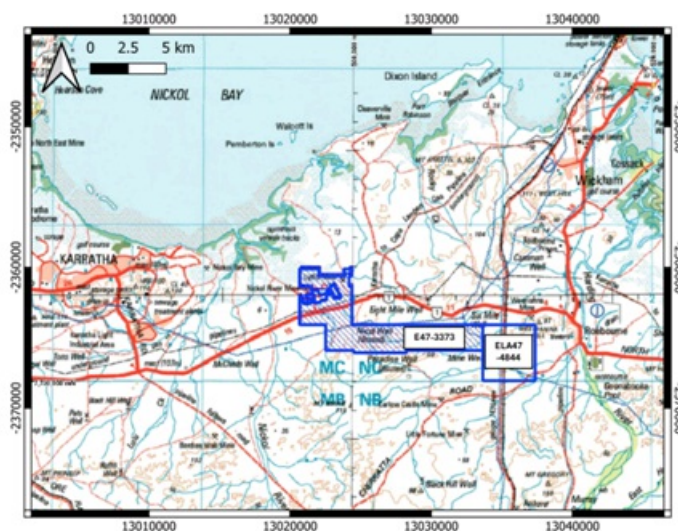
AW2 is located north-west of the Andover Intrusion. The geology also includes basal peridotitic komatite overlain by pillow basalt, BIFs, clastics, felsic volcanics and Karratha Granodiorite. Rock chip sampling near the boundary of the Gorge Creek and Roebourne Groups has shown elevated lithium values, which may be indicative of pegmatites in the area.

Around 60% of AW2 is dominated by Quaternary deposits, with one large structural boundary to the east of the site. This boundary separates the Quaternary deposits and the Roebourne Group. The presence of basalts, in which mineralised pegmatites have been found elsewhere, indicates potential for the identification of lithium anomalies.

A relatively small section of the Andover Intrusion is present in the north-east of the licence area. This therefore represents a priority target for exploration. The Regal Formation is also present with AW2. These basaltic rocks are located on the main structural boundaries within the licence area and therefore may also represent a lithium exploration target.

### Infrastructure and Logistics

The licences are located in the Pilbara region of Western Australia, just three miles west of the town of Roebourne and 19 miles east of the town of Karratha (pop. 17,000) (Figure 3). As both are mining towns, there is a high social acceptance of mining and multiple operating mines in the region.



The North-West Coastal Highway runs through the western part of AW1 providing good accessibility and transport routes. There are also a series of off-road tracks that provide access from the highway into the licences. Karratha airport is approximately 24 miles north-west of the licences, with multiple ports situated around Dampier (a further 12 miles north-west of Karratha). The town of Roebourne also has a small airstrip.

The Rio Tinto railway line which travels north to Point Samson runs through the centre of Andover West 2.

The topography of the licences is mostly flat. Temperatures can reach a maximum of 40°C

in summer and 25°C in winter. Annual rainfall is moderate at 250-400mm per annum.

**Figure 3: Infrastructure map (Optional Licences in blue)**

### Neighbouring Lithium Projects

The main lithium projects surrounding the tenement are as follows (see Figure 4):

**Andover Project** (owners Azure Minerals Limited 60% (ASX: AZS, market cap. A\$1.66 billion), Creasy Group 40%). The Andover licence area is characterised by hundreds of outcropping pegmatites from the Andover pegmatite swarm that trend roughly NE-SW. Azure's maiden lithium pegmatite sampling campaign returned first results in October 2022, and drilling only commenced there in March 2023. The discovery of numerous thick, high-grade lithium intersections such as 209.4m @ 1.42% LiO have confirmed Andover as a significant lithium exploration project globally.

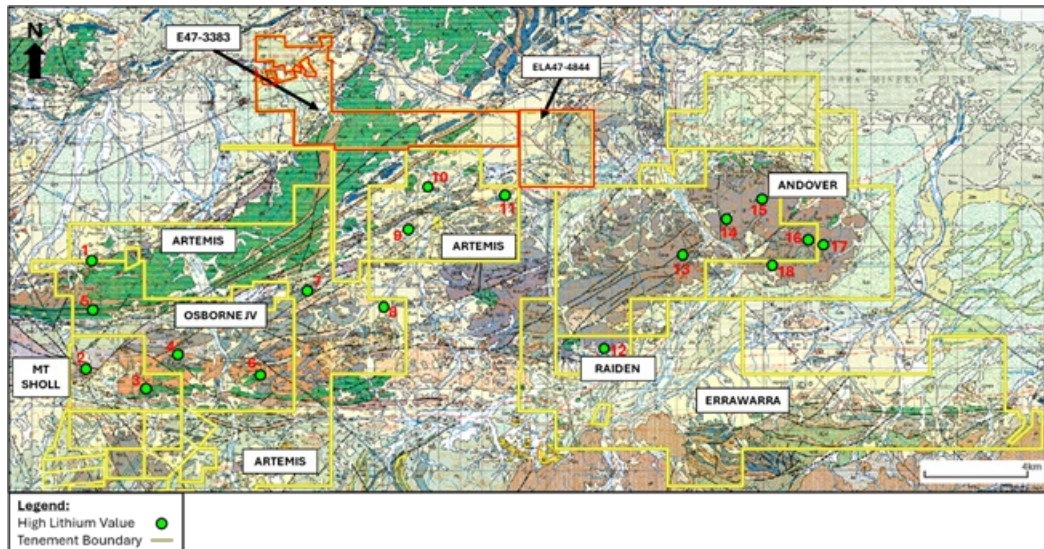
Azure Minerals has published a target estimate for Andover of 100-240 million tonnes grading 1.0-1.5% LiO<sup>[1]</sup>. Earlier this month, Azure shareholders approved the company's takeover by billionaire

Gina Rinehart's private company Hancock Prospecting Pty Ltd. and partner Sociedad Química y Minera de Chile, or SQM, one of the largest producers of lithium carbonate in the world, valuing Azure at A\$1.7 billion.

Osborne Joint Venture (GreenTech Minerals, 51% (ASX: GRE), Artemis Resources, 49% (ASX: ARV). Two lithium-bearing pegmatite trends have been identified running roughly east to west and up to 2.5km long. Rock chip sampling in the area has returned Li O values up to 2.36%.

West Pilbara Lithium Project (Artemis Resources Ltd, 100%). High lithium soil concentrations identified of up to 2.36% Li O.

Mt Sholl Project (Raiden Resources Ltd, 100% (ASX: RDN). This project is located around Mt Sholl, south-west of the Optioned Licences. An extensive soil sampling programme has found large lithium-in-soil trends with the highest tenors (100-188ppm) occurring over Roebourne basalts and Karratha granodiorites. These rock types are present in the Optioned Licences, indicating a possibility for lithium prospectivity in the licences.



**Figure 4: Geological map of the West Pilbara region showing AW1 (E47-3373) and AW2 (ELA47-4844) (red outline), with other tenements prospective for lithium in yellow. Green circles denote elevated lithium anomalies.**

## Western Australia - World-Class Lithium Province

Western Australia hosts four of the world's biggest lithium mines, whose combined reserves exceed 500 Mt, namely:

- Wodgina (reserves of 151.94Mt @ 1.17% Li O), a 50:50 JV between Mineral Resources (ASX: MIN, market capitalisation A\$13.5 billion) and Albemarle Corporation (LON: OHC7, market cap. US\$13.8 billion);
- Pilgangoora (reserves of 214Mt @ 1.19% Li O, 103 ppm Ta<sub>2</sub>O<sub>5</sub> and 0.99% Fe<sub>2</sub>O<sub>3</sub>), 100% owned by Pilbara Minerals (ASX: PLS, market cap. A\$11.6 billion);
- Earl Grey (reserves of 94.5Mt @ 1.5% Li O), owned 50:50 by Wesfarmers (ASX: WES, market cap. A\$74.4 billion) and SQM (NYSE: SQM, market cap. US\$13.2 billion); and
- Greenbushes (reserves of 86.4Mt @ 2.35% Li O), owned by Tianqi Lithium Corp (SHE: 002466, market cap. CN¥ 74.6 billion).

## Planned First-Phase Exploration Activities

Whilst numerous mineral exploration projects have been carried out over Andover West, they have been primarily focused on gold and iron ore. Previous exploration programmes have shown lithium-bearing rocks (possibly pegmatites) to be present in the licence area, and accordingly field exploration is now required which expressly targets those rocks. Reconnaissance field mapping and sampling at AW1 will focus both on the Roebourne Group basalts, which appear to be a source of lithium-bearing pegmatites at the neighbouring West Pilbara Lithium Project, and on the NE-SW trending structures known to be prospective for lithium in the Osborne JV licence area to the south-west.

As for AW2, this sits within the Roebourne Group and the Regal Formation basalts, both of which are prospective for lithium. In addition, a relatively small area within AW2 appears to be situated on the Andover Intrusion, which hosts the Andover Discovery (see Figure 2). Given the significance of the Andover Discovery, this location within AW2 would be the first priority for field mapping and sampling.

## Option Agreement Terms

A summary of key terms of the Option Agreement entered into between Alba and the owner of the Optioned Licences ("Seller"):

- (a) Option Fee: Alba shall pay an option fee of £10,000 in Alba shares at an issue price of 0.0875p per share (equal to a premium of 25% above the volume weighted average price ("VWAP") of Alba ordinary shares in the 10 trading days prior to the date of the Option Agreement), or a total of 11,428,571 shares ("Option Fee Shares")
- (b) Option Period: 30-day option to acquire a 50% interest in the "Optioned Licences".
- (c) Option Exercise: If Alba elects to exercise the option, it shall:
  - (i) pay to the Seller GBP 350,000 in Alba ordinary shares at an issue price equal to a premium

- (i) pay to the Seller GBP 250,000 in Alba ordinary shares at an issue price equal to a premium of 25% above the VWAP of Alba ordinary shares in the 15 trading days prior to the exercise of the option; and
- (ii) issue share warrants to the Seller on a 1 for 1 attaching basis (such that, for example, if the total number of Alba consideration shares to be issued is 250m then the total number of warrants to be issued shall also be 250m). The warrants shall have an exercise price of 0.2p per share and be exercisable within 12 months from the date of grant. If at any time during the warrant exercise period, the 10-day VWAP of Alba ordinary shares exceeds 0.3p, Alba may give the warrant holders notice to exercise their warrants, failing which their warrants would lapse.
- (d) Restrictions on disposals etc: Alba consideration shares, including those resulting from the exercise of warrants, shall be subject to a six-month lock-up provision (no sales without Alba's prior written consent) followed by a six-month orderly market provision (no sales without first consulting with Alba in order to maintain an orderly market in Alba's shares).
- (e) A 50:50 unincorporated joint venture would be formed between Alba and the Seller ("Joint Venture") on customary terms, with the parties contributing to expenditures pro rata or diluting in accordance with a customary dilution formula; Alba being the manager of the Joint Venture with ultimate responsibility for setting budgets and work programmes (including as to annual budgets and work programmes).
- (f) The JV Board shall comprise an equal number of representatives from Alba and the Optionor. Decisions shall be taken by a simple majority, however in the case of deadlock Alba's Board representatives shall have the casting vote.
- (g) Alba shall have pre-emption rights and a separate tag-along right in respect of any sale or disposal by the other JV partner of its 50% of the lithium rights in the Tenements.
- (h) All mineral rights other than in respect of lithium and lithium-bearing ores within the Optioned Licences shall be retained by the Seller.

### **Admission to AIM**

Application will be made for the 11,428,571 Option Fee Shares to be admitted to trading on AIM ("Admission"). It is expected that Admission will become effective at 8.00 a.m. on 30 April 2024. The new ordinary shares will be issued credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after Admission and will otherwise rank on Admission *pari passu* in all respects with the existing ordinary shares.

### **Total Voting Rights**

Following Admission, the total number of ordinary shares in issue will be 8,325,732,952. The Company does not hold any ordinary shares in treasury. Therefore, the total number of ordinary shares with voting rights will be 8,325,732,952. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

***This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.***

### **Forward Looking Statements**

*This announcement contains forward-looking statements relating to expected or anticipated future events and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, competition for qualified staff, the regulatory process and actions, technical issues, new legislation, uncertainties resulting from potential delays or changes in plans, uncertainties resulting from working in a new political jurisdiction, uncertainties regarding the results of exploration, uncertainties regarding the timing and granting of prospecting rights, uncertainties regarding the timing and granting of regulatory and other third party consents and approvals, uncertainties regarding the Company's or any third party's ability to execute and implement future plans, and the occurrence of unexpected events. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.*

### **Competent Person's Declaration**

*The information in this release that relates to Exploration Results has been reviewed by Mr Mark Austin. Mr Austin is a member of SACNASP (Reg. No. 400235/06), Fellow of The Geological Society and Fellow of the Geological Society of South Africa. He has a B.Sc. Honours in Geology with 42 years' experience.*

*Mark Austin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration targets, Exploration Results, Mineral Resources and Ore Reserves', also known as the JORC Code. The JORC code is a national reporting organisation that is aligned with CRIRSCO. Mr Austin consents to the inclusion in the announcement of the matters based on his information in the form and context in which they appear.*

**\*\*ENDS\*\***

For further information, please visit [www.albamineralresources.com](http://www.albamineralresources.com) or contact:

<b>Alba Mineral Resources plc</b> George Frangeskides, Executive Chairman	+44 20 3930 0723
<b>SPARK Advisory Partners Limited (Nomad)</b> Andrew Emmott	+44 20 3368 3555
<b>CMC Markets plc (Broker)</b> Thomas Smith / Douglas Crippen	+44 20 3003 8632

<b>Alba's Projects &amp; Investments</b>		
<b>Projects Operated by Alba</b>	<b>Location</b>	<b>Ownership</b>
Clogau (gold)	Wales	100%
Dolgellau Gold Exploration (gold)	Wales	100%
Gwynfynydd (gold)	Wales	100%
<b>Investments Held by Alba</b>	<b>Location</b>	<b>Ownership</b>
GreenRoc Mining Plc (mining)	Greenland	37.49%
Horse Hill (oil)	England	11.765%
<b>Option to Purchase Held by Alba</b>	<b>Location</b>	<b>Optioned Percentage</b>
Andover West Lithium Project	Australia	50%

[1] *The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of one.*

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@lseg.com](mailto:ms@lseg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

ACQIIMMTMTBTBII