ASX Announcement

12 August 2021

Leinster Project Produces Drill Ready Ni-Cu Targets

- **Ground review confirms the presence of ultramafic rocks, prospective for Ni-Cu mineralisation**
- **Ultrafine soil geochemistry sampling program completed, with a key focus on the ultramafic unit near the Perseverance Fault, along strike to Auroch's Horn and related nickel sulphide prospects**
- **Previous mineralised intercepts such as 4m @ 5,060 ppm Ni from shallow drilling are untested at depth and present drill-ready targets**
- **POW for drilling approved - preparations for maiden RC drill program underway**

Albion Resources Limited (ASX: ALB) ("Albion" or the "Company") is pleased to advise that it has completed an ultrafine soil geochemistry program over the prospective ultramafic rocks at the recently granted Leinster Project ("Project"), located 30km southeast of Leinster. The Project covers the same conductive, nickel sulphide bearing unit as Auroch's (ASX: AOU) the Horn and related Ni-Cu prospects, and lies adjacent to BHP's Nickel West Weebo Ni deposit.

Approximately 500 ultrafine soil samples were collected across the prospective geology within the Project area (Figure 1). Ultrafine soils deliver multielement analysis derived from the ultrafine (< 53 µm) fraction of soil samples. The method is designed for soils developed in residual and transported materials, and provides for stronger signals (generally well above instrumental detection limits), excellent reproducibility and increased signal-to-background ratios than more conventional analytical methods. The soil sampling seeks to define extensions to previously drill-indicated nickel mineralisation in ultramafic rocks located beneath a sand veneer.

Chairman Locke commented "*Shareholders can be encouraged by the identification of the right rocks and drill ready targets along the Perseverance Fault. We look forward to announcing drill dates"*

Background

A deeply weathered regolith is preserved across much of the Project. Ferruginous relict terrain, including ferricrete and ferruginous saprolite, exists in the Project's west and north. Elsewhere, a sand veneer developed on hardpan mantles a variably truncated profile in the Project's east. In the south, dune deposits have formed on relict regolith above breakaways. Collectively, 85% of the tenure is mantled by media potentially unsuitable for conventional geochemical exploration.

Most observed nickel enrichments (from the previous drilling on the east and west flank) occur in the upper regolith, reflecting the residual accumulation of Ni derived most plausibly from the weathering of disseminated nickel sulphide or Ni-silicate bearing rocks. Previous drilling on the east flank near the Perseverance Fault is mostly shallow (<50m vertical), with the mineralised intercepts such as LYER0376 (4m @ 5,060 ppm Ni) untested at depth by RC or diamond drilling. These intercepts present drill-ready targets. A POW application covering RC drill testing of this unit was submitted recently, with approval now received.

Soil Program

The soil samples were collected on both reconnaissance and detailed grids across exploration areas along the eastern and western flanks of the Project, where ultramafic rocks were confirmed. The detailed soil grid (100m line spacing x 50m centres over 14 lines) covers the proposed drilling POW area. Analysis of the detailed grid soils have been expedited to assist with final collar positions. Reconnaissance grids were sampled on 400m line spacing and 100m centres. In the west, four reconnaissance lines were sampled to validate the legacy soil results. In the east, eleven reconnaissance lines were sampled to map extensions to previously drill-indicated nickel mineralisation into the adjacent covered environments. All samples have been submitted to ALS.

Drilling Program

A maiden RC drill program, developing up to 12 holes (for a maximum of 1800m) and utilising the existing access, is envisaged to test previously drill-indicated nickel mineralisation in the underlying ultramafic rocks.

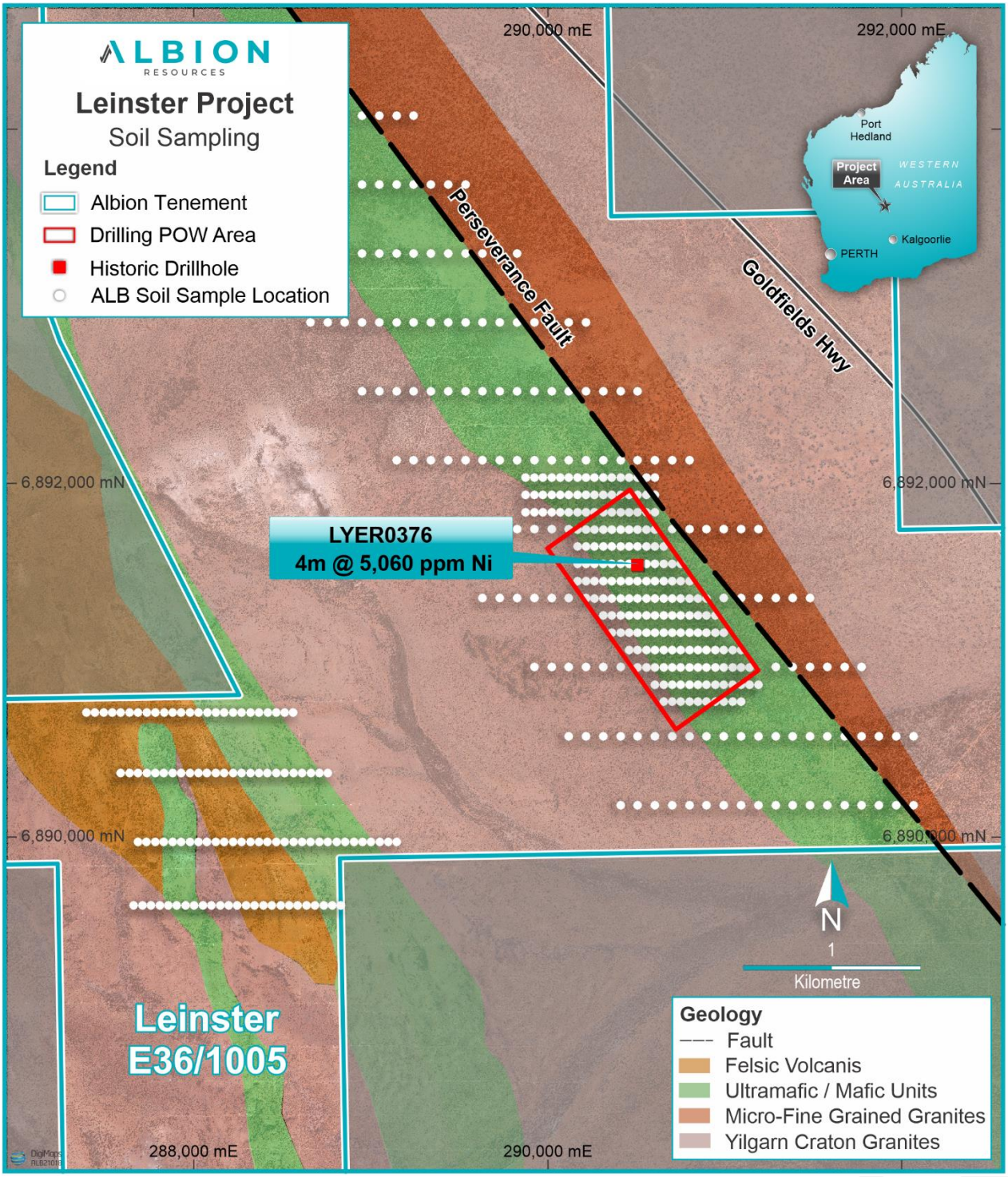

Figure 1: Soil sample locations and drilling POW area over project geology

This announcement has been approved for release by the Board.

FOR FURTHER INFORMATION:

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ABOUT LEINSTER PROJECT:

The Leinster Project, located 30km southeast of Leinster, covers an area of 42km^2 and is highly prospective for nickel-copper and gold. This strategic and significant tenement is along strike from Auroch Minerals the Horn and related Ni-Cu prospects and adjacent to BHP's Nickel West Weebo Ni deposit. Geophysical imagery indicates that the same ultramafic host rocks of the Horn Ni-Cu Prospect extend into Albion's tenement. Data compilation across the Leinster Project has also highlighted the limited drilling at depths below 100m, despite drill-indicated nickel mineralisation from shallow historic drilling.

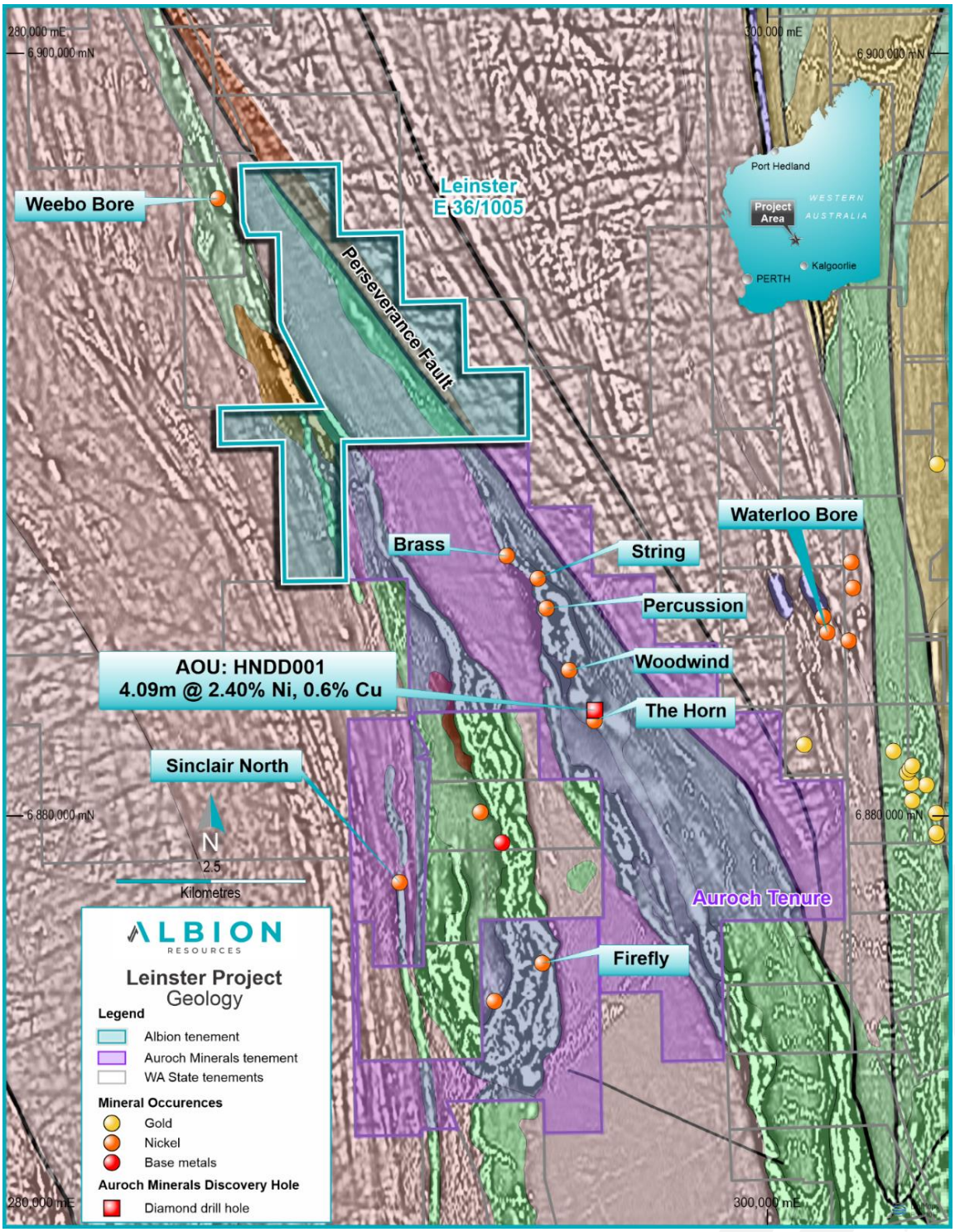

Figure 2: Leinster Project relative to nearby nickel and gold occurrences, prospects and deposits

Competent Persons Statement

The information in this announcement is based on and fairly represents information compiled by Mr Jonathan King, consultant geologist, who is a Member of the Australian Institute of Geoscientists and employed by Collective Prosperity Pty Ltd, and is an accurate representation of the available data and studies for the Project. Mr King has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

The information in this announcement that relates to historical exploration results was first reported by the Company in its IPO prospectus dated 18 March 2021. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus.