Alecto Minerals plc / EPIC: ALO / Market: AIM / Sector: General Financial

26 September 2012

Alecto Minerals plc ('Alecto' or the 'Company')
Interim Results

Alecto Minerals plc, the AIM listed multi-commodity exploration and development company with projects in Ethiopia and Mauritania, announces its interim results for the six months ended 30 June 2012.

Overview

- Cornerstone investor secured, raising £1,472,500 to fund exploration
- Strengthened Board and management team through key technical appointments
- Commenced six week exploration programme at Ethiopian Wayu Boda Gold Licence
- Twelve week exploration programme commenced in Mauritania to advance Chiron and newly identified Gadel Iron-Oxide-Copper-Gold ('IOCG') targets

Alecto Managing Director Damian Conboy said, "We have made strong progress over the last six months with the Company now financed to implement some exciting exploration programmes at our gold and IOCG projects in Ethiopia and Mauritania respectively. Also, more recently we have bolstered our technical team and obtained a key strategic shareholder who will be highly beneficial to the Company. I look forward to providing regular updates to shareholders as we progress our assets up the development curve for drilling in 2013."

Chairman's Statement

I am pleased to report that over the period we have implemented solid corporate and operational initiatives designed to provide a solid basis for successful future growth. Our wholly-owned portfolio includes two gold projects in Ethiopia and three IOCG licences in Mauritania, the prospectivity of which has enabled the Company to attract the support of a cornerstone investor.

Mr. Fahad Al-Tamimi's placement of 95,000,000 New Ordinary Shares at 1.55p each was an exciting development for the Company, particularly in this current economic environment, and enabled the Company to raise £1,472,500. This has provided Alecto with funds to implement further exploration and, with this in mind, we recently commenced campaigns at the Wayu Boda Gold Licence in southern Ethiopia and the Wad Amour IOCG Licence in Mauritania, the results from which we hope to announce over the rest of the year.

Ethiopia

The exciting mineral potential of Ethiopia is being increasingly recognised by both the geological and investment community and we are delighted to have gained exposure to two new gold regions in the country. The Company's Ethiopian portfolio consists of the 945.5 sq km Wayu Boda Gold Project ('Wayu Boda') in the highly prospective central-southern Adola greenstone belt in southern Ethiopia, and the 1,953 sq km Aysid-Metekel gold exploration licence ('Aysid-Metekel') in north western Ethiopia.

Wayu Boda has three separate areas of extensive historical and current artisanal high grade gold mining activity on site, making this our most advanced asset. The workings, where previous sampling has returned grades of up to 16 g/t of gold, have provided us with readymade initial exploration targets. Accordingly, we commenced a six week exploration programme post period end to bring the project to drill ready status.

Notably, the Ethiopian newspapers have reported that the National Mining Corporation has discovered a major gold deposit in the regional state of Oromia, located within 20km of Wayu Boda's eastern boundary. This is very encouraging news for Alecto and strengthens our belief in the prospectivity of the area.

We are currently undertaking detailed mapping of all worked areas, including structural analysis, channel sampling of all artisanal pits and sampling of all artisanal waste dumps. An 800m trenching campaign to a depth of 2 metres is also being conducted as part of the programme aimed at testing the grade of the quartz veins in the two locations, the grade of the host rock and the extent of the mineralisation.

In addition the Company is also conducting trenching between the two artisanal locations designed to confirm the suspected continuation of the mineralisation between two of the three sites. Trenching along strike is targeting extensions to the known mineralisation which is open in both directions. Trenching samples are being transported to Jeddah in Saudi Arabia for assaying and we look forward to receiving the results from these.

Once complete, we believe that the tenor and extent of surface mineralisation will be fully tested and that worthy drill targets will be defined for an envisaged 2,000-3,000m drilling programme in Q1/Q2 2013.

Our Aysid-Metekel gold exploration licence is located in a mineral rich region approximately 50km north and north-east respectively from the highly prospective Towchester and Brantham tenements of AIM quoted Nyota Minerals Limited. It is also approximately 80km from the Fiti skarn gold deposit discovered by MIDROC Gold Mine plc.

Initial reconnaissance type exploration and evaluation of historical data has led to the identification of six exploration targets. This project is at an earlier stage to Wayu Boda but results from sampling to date have highlighted some similarities to other mineralisation styles in the area. In line with this, although we are currently focussing our resources at our other licences, we look forward to carrying out more of this type of work over the coming months to define further targets worthy of exploration.

Mauritania

We have a total land position of 1,828 sq km in the mineral rich Mauritanide belt of Mauritania. Work to date has highlighted the prospectivity of the licence areas for IOCG mineralisation, particularly our

Wad Amour licence which covers 613 sq km and we are excited to have recently kick-started our third programme.

Phase 2 of the exploration programme demonstrated the presence of up to 5.8% copper, 0.66 g/t and 13.9 g/t silver at the East-West trending Chiron anomaly with anomalous copper values over 800m. Geophysical surveys and satellite imagery showed the mineralisation to have a strong structural control with mineralisation occurring at the intersection of north-east trending structures with major north-west trending structures.

During the rainy months of July - September, we were delighted to host a visit to the Wad Amour Licence from a leading IOCG specialist Peter Pollard, an author of several academic papers on the subject, when he took samples for petrographic analysis. Results from this confirmed that the Chiron target has the potential to host mineralisation similar to that at First Quantum's 3.6Mtpa Guelb Moghrein mine. Importantly, he also highlighted that the entire licence area is prospective for further mineralisation.

With this in mind, we recently announced the details of the Company's Phase 3 exploration campaign, designed to bring us to drill ready status for 2013. This has now commenced and will last approximately 12 weeks.

At the Chiron target the ground magnetics will be extended for a further 16 sq km along strike to cover the full extent of mineralisation and the EM34 grid will also be extended in all directions comprising an additional 26km line kilometres of data. Former soil sampling grids are to be extended to test possible extensions of mineralisation inferred from occasional copper showings along strike and additional detailed mapping programmes are planned to supplement the geochemical and geophysical surveys and support the interpretation of results.

Importantly, Mr. Pollard's work also identified what he believes to be a new high priority target, the Gadel target, which is located east of the town of Oued d'Amour. This has been the subject of little work to date but is believed to have the potential to host IOCG mineralisation in a similar style to that at Chiron. Planned work includes soil sampling, mapping and rock chip sampling with a particular focus on the target's potential to host gold mineralisation.

On a regional level, exploration work is set to continue in tandem, with follow up soil sampling from previous work, regional drainage sampling and alteration mapping from the recently acquired Aster imagery. We also plan to undertake more detailed structural and geological mapping from the satellite imagery available.

Additional Opportunities

In tandem with developing our current assets, where results to date have been highly encouraging, we will evaluate potential acquisition opportunities as and when the opportunities arise

During the period, we entered into an option agreement relating to the staged acquisition of Forward Africa Resources ('FAR'), which holds the 711 sq km bauxite licence 223 in Guinea. Post period end we decided not to pursue our current option due to our belief that we need further clarity on the licence duration and commitments with regards to development spend, especially when considering the on-going nature of the Guinean Ministry of Mine's independent audit of all mining licences. We continue to believe in the prospectivity of the licence, but are not prepared to enter into an arrangement without certainty and therefore will continue to endeavour with on-going discussions to ensure that the terms of any potential transaction would represent value for all stakeholders.

Corporate

In August 2012 we were delighted to welcome Mr. Michael Ware to our Board as part-time Executive Director. As a representative of our cornerstone investor, Mr. Fahad Al-Tamimi, his appointment is aimed at further aligning our working interests. Importantly, Michael has over 30 years of experience in developing exploration, development and production resource assets and we look forward to benefitting from his solid experience going forward.

Additionally, Mr. Michael Smith, previously the Company's Technical Consultant, is no longer working with the Company. We wish him all the best in his future endeavours.

In his place, we are delighted to welcome Niall Tomlinson to our management team. Niall is a Chartered Geologist with 8 years' experience in the exploration industry. He worked previously with independent technical consultants SRK Exploration and Rio Tinto. He has worked on various projects throughout Africa, South America and Europe on a variety of commodities. At SRK Exploration he managed clients exploration programmes, conducted reconnaissance and licence selection, produced JORC compliant technical reports and worked within large teams on feasibility level projects. Niall has particular experience in the management of grass roots exploration programmes for precious metals, base metals and iron ore in remote areas.

As Technical Manager at Alecto, Niall is responsible for the planning and execution of exploration programmes across our portfolio and reviewing potential new projects. He is a Chartered Geologist, qualifying him to act as a competent person for the purposes of JORC/NI 43-101 reporting of early stage exploration projects. Niall holds an MSc in Mining Geology from Camborne School of Mines and recently completed an MSc in Metals and Energy Finance at Imperial College, London.

Financials

In line with management expectations and in view of the fact that Alecto is an exploration company, the Company does not have any revenues and is reporting a loss for the six months ended 30 June 2012 of £504,950 (2011: £513,262). Our cash position at the end of the period was £1,565,089.

Outlook

Following the recent corporate development we have increased the Company's exploration campaigns across its prospective assets, which are located in what we believe to be two of Africa's most underdeveloped and mineral rich countries. The weeks and months ahead will be marked by regular news flow as we receive results and make evaluations based on these campaigns which are designed to build value on both a project and corporate level.

Importantly, we have secured a cornerstone investor and have strengthened both our management and Board through key appointments with strong technical experience, which I am confident will be highly beneficial to Alecto as we focus on advancing our assets, which to date have delivered highly encouraging results, up the development curve.

I would like to take this opportunity to thank our executive management, fellow Board members and advisers for their continued efforts and you, our shareholders, for your continued support.

Malcolm James
Chairman
25 September 2012

For further information, please visit www.alectominerals.com or contact:

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	6 months to 30 June 2012 Unaudited £	6 months to 30 June 2011 Unaudited £
Continuing operations			
Revenue		-	-
Administration expenses		(467,361)	(389,944)
Acquisition costs expensed		-	(80,000)
Loss on foreign exchange		(38,024)	-
Operating Loss		(505,385)	(469,944)
Finance income		435	682
Loss Before Taxation		(504,950)	(469,262)
Corporate tax expense		-	(44,000)
Loss for the period from continuing operations attributable to equity owners of the parent		(504,950)	(513,262)

Other comprehensive income			
Exchange differences on translating foreign operations		(338)	38,711
Available for sale financial assets		-	(176,000)
Total comprehensive income for the period attributable to equity owners of the parent		(505,288)	(650,551)
Loss per share from continuing operations attributable to the equity owners of the parent			
Basic and diluted (pence per share)	7	(0.20)	(0.27)

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 June 2012 Unaudited £	31 December 2011 Audited £
Non-Current Assets			
Property, plant and equipment		16,006	8,023
Intangible assets	6	3,133,567	3,020,492
Restricted assets		38,947	40,130
Available-for-sale financial assets		50,000	50,000
		3,238,520	3,118,645
Current Assets			
Trade and other receivables		248,071	28,879
Cash and cash equivalents		1,565,089	715,153
		1,813,160	744,032
Total Assets		5,051,680	3,862,677
Current Liabilities			
Trade and other payables		372,673	983,303
Deferred consideration		-	-
		372,673	983,303
Non-Current Liabilities			
Deferred taxation		614,780	614,780
		614,780	614,780
Total Liabilities		987,453	1,598,083
Net Assets		4,064,227	2,264,594
Capital and Reserves Attributable to Equity Holders of the Company			
Called up share capital	7	2,419,100	1,365,957
Share premium account	7	6,603,464	5,351,686
Share option reserve		179,086	179,086
Foreign currency translation reserve		(499)	(161)
Available-for-sale financial asset reserve		-	-
Retained losses		(5,136,924)	(4,631,974)
Total Equity		4,064,227	2,264,594

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to Owners of the Parent						
	Share capital £	**Share Premium £**	**Available-for-sale investment reserve £**	**Share option reserve £**	**Translation reserve £**	**Retained losses £**	**Total equity £**
As at 1 January 2011	**1,303,860**	**5,124,210**	**176,000**	**333,938**	**(19,748)**	**(3,704,358)**	**3,213,902**
Comprehensive income							
Loss for the period	-	-	-	-	-	(513,262)	(513,262)
Other comprehensive income							
Currency translation differences	-	-	-	-	38,711	-	38,711
Available-for-sale financial assets (net of tax)	-	-	(176,000)	-	-	-	(176,000)
Total other comprehensive income	-	-	(176,000)	-	38,711	-	(137,289)
Total comprehensive income for the period	**-**	**-**	**(176,000)**	**-**	**38,711**	(513,262)	(650,551)
Transactions with owners							
Issue of ordinary shares	62,097	227,476	-	-	-	-	289,573
Share based payments	-	-	-	23,266	-	-	23,266
Total transactions with owners	62,097	227,476	-	23,266	-	-	312,839
As at 30 June 2011	**1,365,957**	**5,351,686**	**-**	**357,204**	**18,963**	**(4,217,620)**	**2,876,190**

	Attributable to Owners of the Parent						
	Share capital £	**Share Premium £**	**Available-for-sale investment reserve £**	**Share option reserve £**	**Translation reserve £**	**Retained losses £**	**Total equity £**
As at 1 January 2012	**1,365,957**	**5,351,686**	**-**	**179,086**	**(161)**	**(4,631,974)**	**2,264,594**
Comprehensive income							
Loss for the period	-	-	-	-	-	(504,950)	(504,950)
Other comprehensive income							
Currency translation differences	-	-	-	-	(338)	-	(338)
Total other comprehensive income	-	-	-	-	(338)	-	(338)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(338)**	**(504,950)**	**(505,288)**
Transactions with owners							
Issue of ordinary shares	1,053,143	1,338,577	-	-	-	-	2,391,720
Issue costs	-	(86,799)	-	-	-	-	(86,799)
Total transactions with owners	1,053,143	1,251,778	-	-	-	-	2,304,921
As at 30 June 2012	**2,419,100**	**6,603,464**	**-**	**179,086**	**(499)**	**(5,136,924)**	**4,064,227**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30 June 2012 Unaudited £	30 June 2011 Unaudited £
Cash flows from operating activities		
Operating loss	(505,385)	(469,944)
Adjustments for:		
Depreciation	1,416	-
Foreign exchange differences	(337)	-
Share option expense	-	23,266
Introducer fees paid in shares	-	30,000
Exclusivity fee paid in shares	-	-
Increase in trade and other receivables	(17,737)	(57,006)
(Decrease) / increase in trade and other payables	(12,112)	34,021
Net cash used in operations	(534,155)	(439,663)
Cash flows from investing activities		
Interest received	435	682
Cash paid for acquisition of subsidiaries (net of cash acquired)	(129,600)	(48,396)
Purchase of property, plant & equipment	(9,399)	-
Cash paid for restricted assets	-	(17,877)
Purchase of intangible assets	(113,077)	(250,215)
Net cash used in investing activities	(251,641)	(315,806)
Cash flows from financing activities		
Proceeds received from issue of shares	1,721,345	104,902
Cost of share issue	(86,799)	(40,427)
Proceeds from borrowings	-	-
Net cash from financing activities	1,634,546	64,475
Net increase / (decrease) in cash and cash equivalents	848,750	(690,994)
Cash and cash equivalents at beginning of period	715,153	2,015,012
Exchange gains on cash and cash equivalents	1,186	-
Cash and cash equivalents at end of period	1,565,089	1,324,018

Major non-cash transactions

On 6 March 2012 the Company issued 17,751,480 and 11,337,017 ordinary shares of 0.7 pence each fully paid at 1.69 and 1.81 pence per share respectively, as consideration for business acquisitions during the previous period. On the same date the Company issued 1,775,148 and 1,133,702 ordinary shares of 0.7 pence each fully paid at 1.69 and 1.81 pence per share respectively, in settlement of certain introducer fees in relation to the acquisitions.

On 21 May 2012 the Company issued 38,000,000 warrants exercisable for two years from the date of grant at a price of 3.1 pence. On 7 June 2012 the Company issued a further 9,380,645 warrants exercisable for two years from the date of grant at a price of 3.1 pence.

On 25 June 2012 the Company placed 23,451,613 new ordinary shares of 0.7 pence each fully paid in the capital of the Company, to new investors at a price of 1.55p per share (the “Placing”). The Placing raised a total of £363,500, of which £201,454 is recognised in debtors at the period end as the money was received after the period ended.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General Information

The principal activity of Alecto Minerals Plc ('the Company') and its subsidiaries (together 'the Group') is the exploration and development of precious and base metals. The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange. The Company is incorporated and domiciled in the UK.

On 23 May 2011 the Company received shareholder approval at its Annual General Meeting and changed its name from Alecto Energy Plc to Alecto Minerals Plc to better reflect the activities of the Group.

The address of the Company's registered office is 200 Strand, London WC2R 1DJ.

2. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. They have been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the year ended 31 December 2011 were approved by the Board of Directors on 5 June 2012 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

The 2012 interim financial report of the Company has not been audited but has been reviewed by the Company's auditor, Littlejohn LLP, whose independent review report is included in this Interim Report.

Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements for the period ended 30 June 2012.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2011 Annual Report and Financial Statements, a copy of which is available on the Group's website: www.alectominerals.com. The key financial risks are liquidity risk, foreign exchange risk, credit risk, price risk and interest rate risk.

Critical accounting estimates

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 4 of the Group's 2011 Annual Report and Financial Statements.

3. Accounting Policies

Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the Group's annual financial statements for the year ended 31 December 2011, except for the impact of the adoption of the Standards and interpretations described below.

The preparation of condensed interim financial statements in conformity with IFRS 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 condensed interim financial statements, are disclosed in Note 4 of the Group's 2011 Annual Report and Financial Statements.

3.1 Changes in accounting policy and disclosures

(a) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2012 but not currently relevant to the Group.

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2012 or earlier periods, but not currently relevant to the Group.

Amendments to IFRS 7 "Financial Instruments: Disclosures" were designed to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2012 and not early adopted

The Group's assessment of the impact of these new standards and interpretations is set out below.

IFRS 9 "Financial Instruments" specifies how an entity should classify and measure financial assets, including some hybrid contracts, with the aim of improving and simplifying the approach to classification and measurement compared with IAS 39. This standard is effective for periods beginning on or after 1 January 2015, subject to EU endorsement.

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" clarify the IASB's intention when first issuing the transition guidance in IFRS 10, provide similar relief in IFRS 11 and IFRS 12 from the presentation or adjustment of comparative information for periods prior to the immediately preceding period, and provide additional transition relief by eliminating the requirement to present comparatives for the disclosures relating to unconsolidated structured entities for any period before the first annual period for which IFRS 12 is applied. The amendments are effective for periods beginning on or after 1 January 2013, subject to EU endorsement.

IFRS 13 "Fair Value Measurement" improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. It does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group's Financial Statements.

IAS 27 "Separate Financial Statements" replaces the current version of IAS 27 "Consolidated and Separate Financial Statements" as a result of the issue of IFRS 10 (see above). This revised standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group's Financial Statements.

IAS 28 "Investments in Associates and Joint Ventures" replaces the current version of IAS 28 "Investments in Associates" as a result of the issue of IFRS 11 (see above). This revised standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement. The Directors are assessing the possible impact of this standard on the Group's Financial Statements.

Amendments to IAS 1 "Presentation of Financial Statements" require items that may be reclassified to the profit or loss section of the income statement to be grouped together within other comprehensive income (OCI). The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. These amendments are effective for periods beginning on or after 1 July 2012, subject to EU endorsement. The Directors are assessing the possible impact of these amendments on the Group's Financial Statements.

Amendments to IAS 19 "Employment Benefits" eliminate the option to defer the recognition of gains and losses, known as the "corridor method"; streamline the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring re-measurements to be presented in other comprehensive income; and enhance the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans. These amendments are effective for periods beginning on or after 1 January 2013, subject to EU endorsement, and are not expected to have an impact on the Group's Financial Statements.

Amendments to IAS 12 "Income Taxes" introduce a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 "Investment Property" will normally be through sale. The amendments are effective for periods beginning on or after 1 January 2012, subject to EU endorsement.

"Annual Improvements 2009 – 2011 Cycle" sets out amendments to various IFRSs and provides a vehicle for making non-urgent but necessary amendments to IFRSs:

- An amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" clarifies whether an entity may apply IFRS 1:
  (a) if the entity meets the criteria for applying IFRS 1 and has applied IFRS 1 in a previous reporting period; or
  (b) if the entity meets the criteria for applying IFRS 1 and has applied IFRSs in a previous reporting period when IFRS 1 did not exist.
  The amendment also addresses the transitional provisions for borrowing costs relating to qualifying assets for which the commencement date for capitalisation was before the date of transition to IFRSs.
- An amendment to IAS 1 "Presentation of Financial Statements" clarifies the requirements for providing comparative information:
  (a) for the opening statement of financial position when an entity changes accounting policies, or makes retrospective restatements or reclassifications; and
  (b) when an entity provides financial statements beyond the minimum comparative information requirements.
- An amendment to IAS 16 "Property, Plant and Equipment" addresses a perceived inconsistency in the classification requirements for servicing equipment.
- An amendment to IAS 32 "Financial Instruments: Presentation" addresses perceived inconsistencies between IAS 12 "Income Taxes" and IAS 32 with regard to recognising the consequences of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction.

- An amendment to IAS 34 “Interim Financial Reporting” clarifies the requirements on segment information for total assets and liabilities for each reportable segment.

The amendments are effective for periods beginning on or after 1 January 2013, subject to EU endorsement.

3.2 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group’s share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill arising on the acquisition of subsidiaries is included in ‘intangible assets’. Goodwill is tested at acquisition and annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

(b) Exploration and evaluation assets

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Exploration and evaluation assets arising on business combinations are included at their acquisition-date fair value in accordance with IFRS 3 ‘Business combinations’. Other exploration and evaluation assets and all subsequent expenditure on assets acquired as part of a business combination are recorded and held at cost.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units, which are based on specific projects or geographical areas.

Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the income statement.

4. Dividends

No dividend has been declared or paid by the Company during the six months ended 30 June 2012 (2011: nil).

5. Segment Information

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the period the Group had interests in three geographical segments; the United Kingdom, Mauritania and Ethiopia. Activities in the UK are mainly administrative in nature whilst the activities in Ethiopia and Mauritania relate to exploration and evaluation work.

The Group had no turnover during the year.

2012	**Ethiopia**	**Mauritania**	**UK**	**Total**
	£	**£**	**£**	**£**
Administrative expenses	(9,822)	(1,694)	(455,845)	(467,361)
Loss on foreign exchange	(2,905)	(35,119)	-	(38,024)
Loss from operations per reportable segment	(12,727)	(36,813)	(455,845)	(505,385)
Additions to non-current assets	70,967	44,613	4,295	119,875
Reportable segment assets	2,022,886	1,132,251	1,896,543	5,051,680
Reportable segment liabilities	616,941	-	370,513	987,453

2011	Ethiopia £	Mauritania £	UK £	Total £
Administrative expenses	(1,804)	(1,608)	(386,532)	(389,944)
Acquisition costs expensed	-	-	(80,000)	(80,000)
Loss from operations per reportable segment	(1,804)	(1,608)	(466,532)	(469,944)
Additions to non-current assets	1,126,746	306,803	(220,000)	1,213,549
Reportable segment assets	1,171,714	1,087,523	1,452,161	3,711,398
Reportable segment liabilities	378,350	-	516,858	895,208

6. Intangible Assets

Intangible assets comprise exploration and evaluation costs and goodwill. Exploration and evaluation costs comprise acquired and internally generated assets.

Cost and Net Book Value	Goodwill £	Exploration and evaluation assets £	Total £
Balance as at 1 January 2012	19,571	3,000,921	3,020,492
Additions	-	143,007	143,007
Exchange rate movements	-	(29,932)	(29,932)
As at period end	**19,571**	**3,113,996**	**3,133,567**

7. Share Capital

Issued share capital	Number of shares	Ordinary shares £	Share premium £	Total £
At 1 January 2012	195,136,748	1,365,957	5,351,686	6,717,643
Issue of new shares	150,448,960	1,053,143	1,338,577	2,391,720
Cost of share issue	-	-	(86,799)	(86,799)
At 30 June 2012	**345,585,708**	**2,419,100**	**6,603,464**	**9,022,564**

On 6 March 2012 the Company issued 17,751,480 and 11,337,017 ordinary shares of 0.7 pence each fully paid at 1.69 and 1.81 pence per share respectively, as consideration for business acquisitions during the previous period. On the same date the Company issued 1,775,148 and 1,133,702 ordinary shares of 0.7 pence each fully paid at 1.69 and 1.81 pence per share respectively, in settlement of certain introducer fees in relation to the acquisitions.

On 21 May 2012 the Company raised £1,472,500 through the issue of 95,000,000 ordinary shares of 0.7 pence each fully paid at 1.55 pence.

On 7 June 2012 the Company raised £363,500 through the issue of 23,451,613 ordinary shares of 0.7 pence each fully paid at 1.55 pence.

At 30 June 2012 57,293 ordinary shares in the Company remain issued and unpaid.

Warrants

On 21 May 2012 the Company issued 38,000,000 warrants exercisable for two years from the date of grant at a price of 3.1 pence. On 7 June 2012 the Company issued a further 9,380,645 warrants exercisable for two years from the date of grant at a price of 3.1 pence.

The fair value of the warrants issued during the period was determined using the Black-Scholes model. The total fair value of the warrants granted was £10.

8. Loss per Share

The calculation of the total basic loss per share of 0.20 pence (2011: 0.27 pence) is based on the loss attributable to equity owners of the parent company of £504,948 (2011: £513,262) and on the weighted average number of ordinary shares in issue of 248,881,408 (2011: 188,324,237) in issue during the period.

No diluted earnings per share is presented as the effect on the exercise of share options would be to decrease the loss per share.

Details of share options and other share based payments that could potentially dilute earnings per share in future periods are disclosed in the notes to the Group's Annual Report and Financial Statements for the year ended 31 December 2011 and in note 6 to these condensed interim financial statements.

9. Commitments

With the exception of those noted below, the Group's commitments remain as stated in the Group's Annual Financial Statements for the year ended 31 December 2011.

(a) Mauritanian licence agreements

On 23 November 2010 the Group acquired three gold exploration licences, and on 13 December 2010 two uranium exploration licences in Mauritania. These licences are for a period of 3 years from the date of grant and include commitments to pay annual land royalty fees in the second and third year and adhere to minimum spend requirements.

At the end of the licence period the Group have the right to renew the licence or, if a defined resource has been established, apply for a mining licence for the target area. Upon grant of any mining licence the Mauritanian Government will receive a 10% shareholding of the rights and benefits of the licence area. The Mauritanian Government also has the option to purchase an additional 10% of the rights and benefits at the market rate upon granting of the mining licence.

At 30 June 2012 the future aggregate minimum royalty fee payments and minimum spend requirements are as follows:

Group	**Land royalty fees £**	**Minimum spend requirement £**	**Total £**
Not later than one year	40,901	221,854	262,755
Later than one year and no later than five years	-	2,697,647	2,697,647
Total	40,901	2,919,501	2,960,502

(b) Bank guarantees

The Group has provided bank guarantees as security for the minimum spend requirements on the Mauritanian exploration licences. The guarantees are not released until the end of the licence period. The balance held via bank guarantee at 30 June 2012 is £38,947 and is included within restricted assets.

10. Events after the balance sheet date

Deferred consideration

On 16 July 2012 the Company issued 12,898,286 ordinary shares of 0.7 pence each fully paid at 1.75 pence to the former owners of Rift Valley Resources Limited in settlement of the deferred share consideration obligations under the terms of the Share Purchase Agreement.

11. Approval of interim financial statements

The Condensed interim financial statements were approved by the Board of Directors on 25 September 2012.

Independent Review Report to Alecto Minerals Plc

Introduction

We have been engaged by Alecto Minerals Plc to review the condensed set of Financial Statements in the half-yearly financial report for the six months ended 30 June 2012 which comprise the condensed consolidated statement of comprehensive income, condensed consolidated balance sheet, consolidated statement of changes in equity, condensed consolidated cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of Financial Statements.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules for Companies.

The annual Financial Statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of Financial Statements included in this half-yearly financial report has been prepared in accordance with the requirements of the AIM Rules for Companies.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of Financial Statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of Financial Statements in the half-yearly financial report for the six months ended 30 June 2012 is not prepared, in all material respects, in accordance with the AIM Rules for Companies.

Littlejohn LLP
Chartered Accountants and Registered Auditors
1 Westferry Circus
Canary Wharf
London
E14 4HD

25 September 2012

****ENDS****

Notes:

Alecto Minerals Plc is an AIM listed exploration company focussed on Africa with a diverse portfolio of exploration assets in Mauritania and Ethiopia. In Mauritania, it has three gold and base metal development licences totalling 1,828 sq km and two uranium licences totalling 1,592 sq km in the highly prospective Mauritanide mobile belt. It also holds a 1,953 sq km gold exploration licence in the highly prospective Aysid-Metekel region of western Ethiopia and the 945 sq km Wayu Boda exploration licence in the Adola greenstone belt, located some 450 km south of Addis Ababa. The Adola belt is host to the only currently operating gold mine in the country, Lege Dembi, and is highly regarded due to the large number of gold prospects currently under exploration

The Company is committed to conducting exploratory work across its portfolio, designed to strengthen its knowledge of the assets and delineate targets for further exploration. In tandem, the Board continues to evaluate a number of synergistic assets to build shareholder value.