

28 November 2016

**Alecto Minerals plc ('Alecto' or the 'Company')**  
**Signing of Binding Option Agreement for Kossanto East**  
**Update on other Joint Ventures and Operational Activities**

Alecto Minerals plc (AIM: ALO), the Africa-focused gold and base metal exploration and development company, is pleased to announce that it has agreed the final terms of its joint venture partnership with Ashanti Gold Corp. ('Ashanti') with respect to its Kossanto East Gold Project ('Kossanto East' or the 'Project') in western Mali having signed a binding option agreement (the 'Option Agreement'). This agreement concludes the proposals originally set out in the non-binding Letter of Intent ('LOI') announced on 22 August 2016.

In addition, the Company is pleased to provide an update in respect of its other joint ventures in western Mali, which have been secured in-line with its strategy to retain exposure to the value in its African gold exploration portfolio for little or no cost, and its pre-production Matala Gold Project ('Matala') in Zambia.

**Highlights:**

- The terms of the Option Agreement are substantially the same as those highlighted in the LOI:
  - Ashanti has the exclusive right to earn-in for a 65 per cent. interest in the Project (58.5 per cent. effective interest after allowing for the 10 per cent. carried interest of the Government of Mali) (the 'Earn-In') by completing a preliminary feasibility study ('PFS') within a period of 36 months (the 'Option Period'). Ashanti will be required to maintain and keep the Project's licence in good standing during the Option Period
  - If an extension to the Option Period is required, beyond the initial 36-months, then Ashanti has the option to pay to Alecto US\$140,000 for each 6-month extension, up to a maximum of 12 additional months in total, to complete the PFS
  - Should Ashanti not complete the PFS within the Option Period, then it may elect to pay to Alecto US\$4 million in cash to satisfy the Earn-In requirement
  - If either party's interest falls below 10 per cent., then that party's interest will convert to a 1.5 per cent. net smelter royalty ('NSR'). The other party shall then have the right, for a period of one year thereafter, to purchase the NSR by paying US\$100,000 for each 0.1 per cent. (up to a maximum of US\$1.5 million)
  - Additionally, Ashanti shall contract from Alecto certain management and corporate services in order to cost effectively commence works on the ground and ensure that monies spent go directly towards exploration

- Randgold Resources' exploration teams have commenced their new field season activities at Kossanto West:
  - Pitting to check regolith profile and test further anomalous zones
  - Generation of regional targets that present potential structure (alteration, lithology and mineralisation) for a multimillion ounce discovery
- Kola Gold and Alecto are applying for the extension of the Karan exploration permit in southern Mali
  - Further surface sampling taking place concurrent with the licence extension application
  - Potential for follow-up reconnaissance drilling this season – depending on the surface sampling results
- Matala pre-development activities have begun:
  - five families relocated from an area where the proposed process plant will be constructed and resettled in a new location safely away from mining activities
  - Commencement of ground clearance for the process plant area
  - Fencing and security gate construction underway to secure the area

**Mark Jones, Alecto's CEO, commented:**

*"We are delighted that the completion of Ashanti's legal and technical due diligence has brought us to the point of finalising the Option Agreement for Kossanto East, and we now look forward to assisting them to commence work on the ground. Alecto and Ashanti's geologists have been on site and reviewed core and rock chip samples, surveyed the known resource area and have begun planning for the next phase of work.*

*"With our partners Randgold Resources also now active on the ground at the neighbouring Kossanto West project, we are delighted to secure high levels of exploration activity at our projects in western Mali without the burden of funding such critical exploration work.*

*"Whilst these very exciting exploration projects are at an early stage, there is every opportunity for a significant discovery and we are confident that we have partnered with the best in the business to realise this potential. Our primary focus now is on finalising funding and delivering production at Matala and, in the interim, we must allow time for our partners to complete their planned exploration work, analyse the results and update us as they progress and we look forward to receiving the results in due course."*

**Ashanti Option**

Ashanti is now the operator of the Kossanto East gold project in western Mali, and will fund all exploration and development works up to and including the production of a PFS. Kossanto East comprises a single exploration permit covering 66.41 km<sup>2</sup> located in the felsic volcanic

rocks between the two major regional structures, the Main Transcurrent Shear Zone ('MTZ') and the Senegal-Malian Fault ('SMF'). The Project already has an independent JORC-code compliant inferred mineral resource estimate of 6.72 Mt grading at 1.14 g/t for an aggregate of 247,000 oz Au (at a cut-off grade of 0.5 g/t).

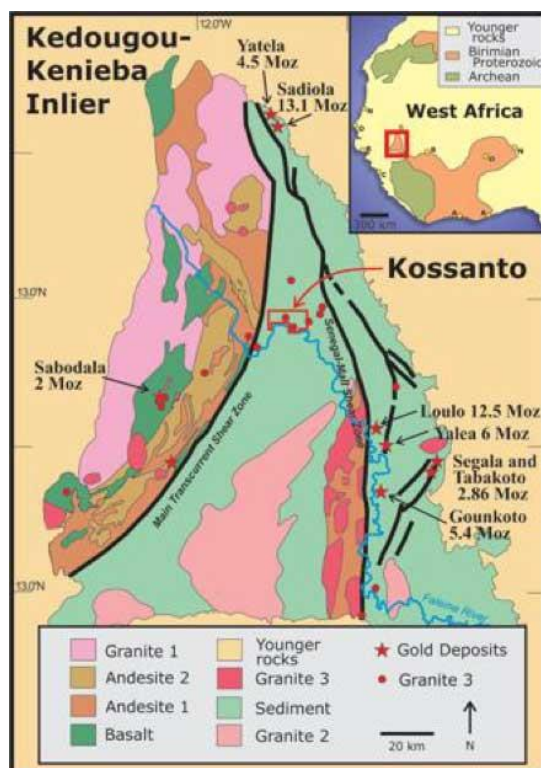


Figure 1 - location of Kossanto East JV project with Ashanti

Future work by Ashanti will focus on extensions of the known mineralised bodies at Gourbassi East and Gourbassi West, which are both open along strike, and exploration targets in parallel structures. Several large and advanced exploration targets were discovered by Alecto in 2014 using Rotary Air Blast ('RAB') drilling, including the Berola target which delivered 15 metres @ 1.18 g/t Au from surface. Details of the planned work programmes will be released once further planning has been completed.

### Randgold Resources JV

Randgold Resources (Mali) Limited's ('Randgold Resources') geological staff recently resumed activities at the Kossanto West joint venture project, having reoccupied their new Kerekoto Exploration Camp to the north of the Kobokoto permit. During the last field season Randgold Resources completed intensive lithosampling and soil anomalism validation over the main priority areas (Fig. 2). Completing 157 selective soil samples and 585 lithosamples, the results highlighted the mineralised zones (0.12 g/t to 2.5 g/t Au) and confirmed the anomalies identified by Alecto's geologists.

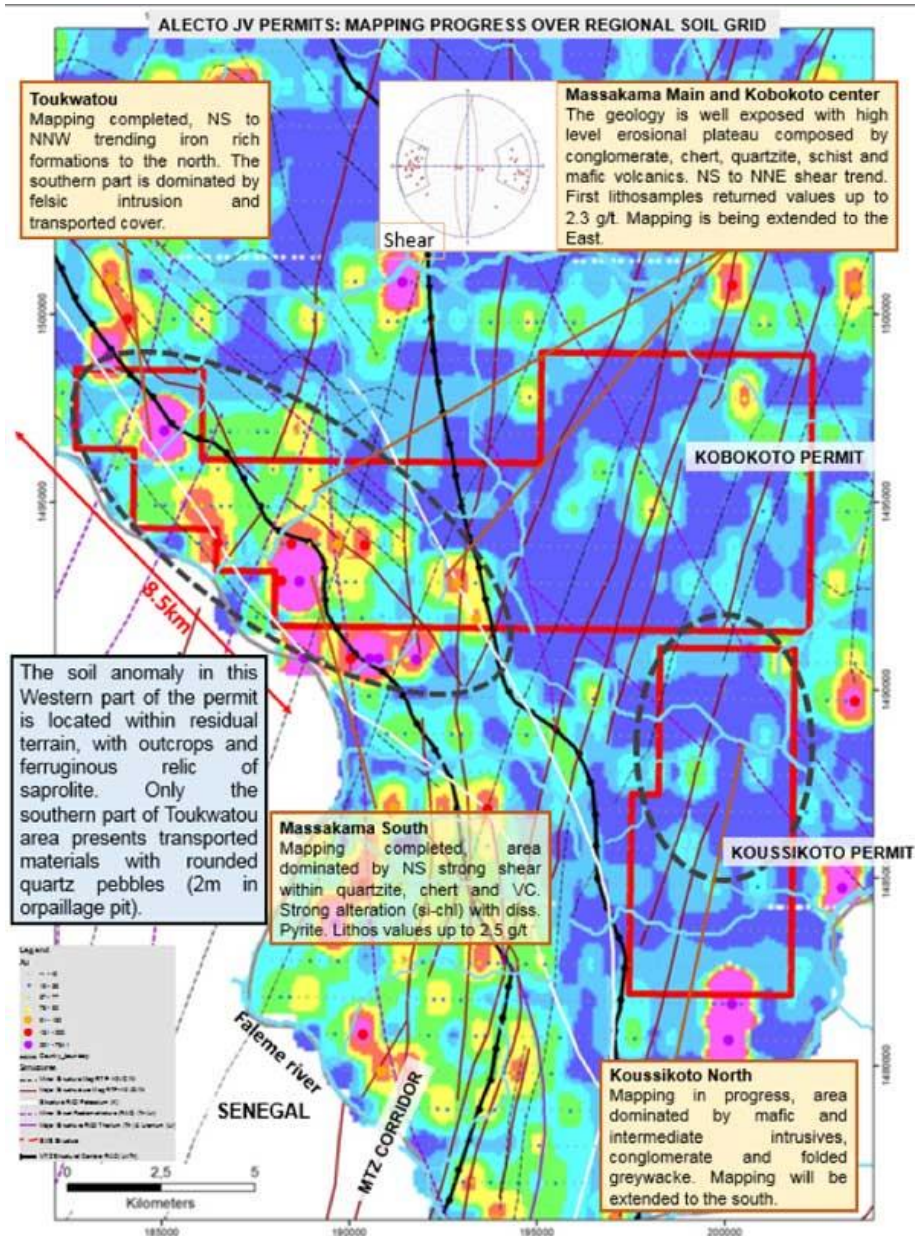
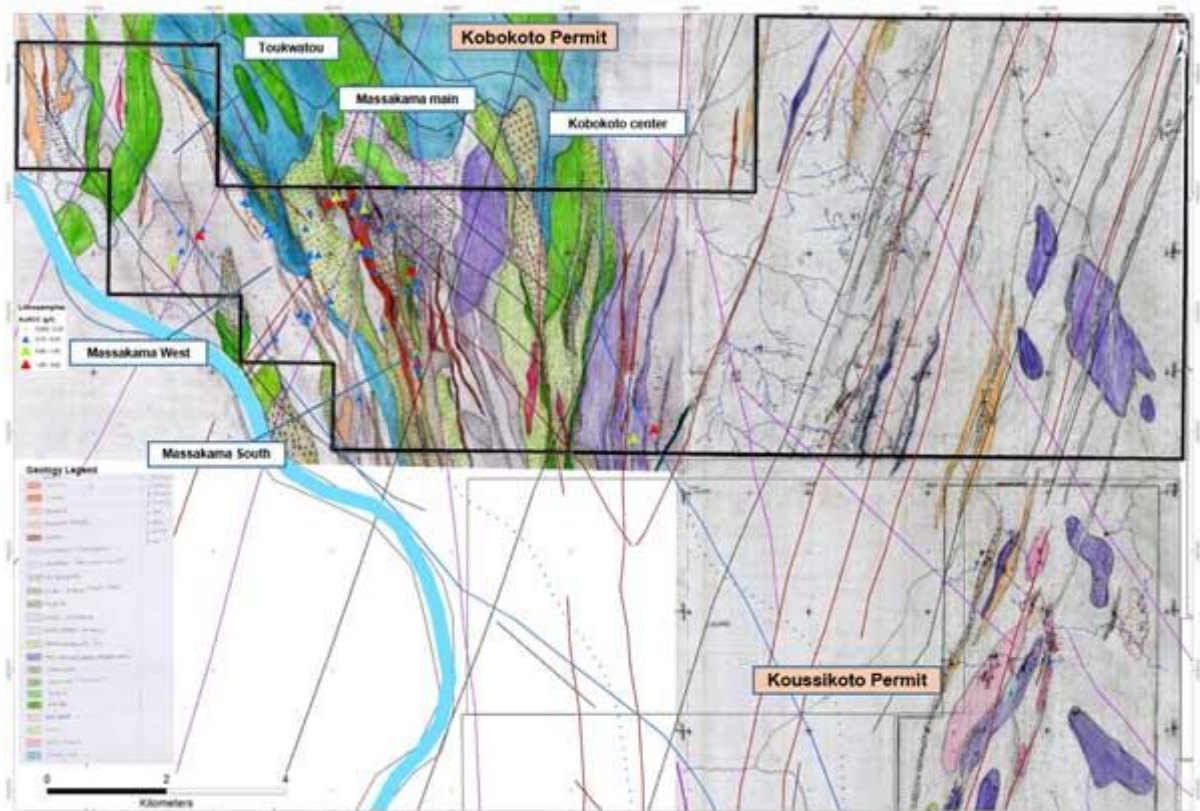


Figure 2 - Randgold JV Mapping Priority Targets over Regional Soil Grid

During the rainy season Randgold Resources' staff continued to analyse the results to build up a more detailed geological model and structural interpretation of the project area (Fig. 3).



*Figure 3 – Randgold Resources JV Structural Interpretation Model*

This season will see a programme of regional pits being sunk and sampled to check the regolith profile and to further test anomalies. Generation of regional targets presenting potential structure (alteration, lithology and mineralisation) for a multimillion ounce discovery will be the focus.

We will update the market during the field season (which runs from November to June) as and when appropriate.

### **Matala Pre-development Activities**

As announced in September 2016, essential pre-development activities have commenced at our Matala Gold Project ('Matala') in south central Zambia. To date, five families have been relocated from the area of the planned future process plant to new homes in a safe location away from all mining activities. The families were assisted financially by the Company and the

re-settlement was by mutual consent and with the approval of His Royal Highness Senior Chief Shakumbila.

Additionally, clearance activities for the process plant site and construction of the perimeter fences and gates has commenced by Alecto's ground team, who are working rapidly to secure the area and prepare it for civil works to begin.

Completion of these pre-development activities serves two purposes: firstly, it ensures that the Company is in compliance with its Environmental Permit for the mine construction, and secondly it will allow a more rapid start to development once the financing package for Matala is complete.



*Figure 4 - Zambian Process Plant Pre-development Activities at Matala October 2016*



Figure 5 - Zambian Process Plant Ground Clearance and Fencing

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

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

**Alecto Minerals plc**

Tel: +44 (0)20 7499 5881

Mark Jones

**Strand Hanson Limited**

Tel: +44 (0)20 7409 3494

Andrew Emmott

Matthew Chandler

James Dance

**Beaufort Securities Limited**

Tel: +44 (0)20 7382 8300

Jon Belliss

**St Brides Partners Ltd**

Tel: +44 (0)20 7236 1177

Elisabeth Cowell

Charlotte Page

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").*



