14 July 2017

**Alecto Minerals plc ("Alecto" or the "Company")**

**Proposed Share Consolidation, Amendments to Articles,**
**Authority to Allot Ordinary Shares and Disapplication of Pre-emption Rights**
**and**
**Notice of General Meeting**

Alecto Minerals plc, the African focused gold exploration and base metal development company, announces that it will today be posting to Shareholders a circular and Notice of General Meeting (the "Circular"), together with a Form of Proxy, convening a General Meeting of the Company to be held at the offices of Michelmores LLP, 12th Floor, 6 New Street Square, London EC4A 3BF at 11.00 a.m. on 31 July 2017. The Circular and Form of Proxy will be available on the Company's website at www.alectominerals.com.

The letter from the Chairman of the Company forms Part I of the Circular and is set out in full below. The expected timetable of principal events, Share Consolidation statistics and the definitions used in the Chairman's letter, are set out in full at the end of this announcement.

**Introduction**

On 21 December 2016, the Company announced that it had entered into a conditional Acquisition Agreement to acquire the entire issued share capital of Cradle Arc for a consideration comprising £1 million payable in cash (the Cash Consideration) and the issue of new ordinary shares to the Vendor and its nominees representing, in aggregate, 60.0 per cent. of the enlarged share capital on Completion (the Consideration Shares). Cradle Arc is a holding company incorporated in Botswana which, via Leboam, its wholly owned subsidiary, has acquired conditionally the assets comprising the Mowana Copper Mine, a producing mine located in north east Botswana.

The purpose of this announcement is to provide you with information on and explain the background to the Proposals, to explain why the Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole, and to seek Shareholder approval for the Proposals. This announcement also contains the Directors' unanimous recommendation that you vote in favour of all of the Resolutions.

The proposed Acquisition constituted a reverse takeover under the AIM Rules and trading in the Company's shares on AIM was suspended from 21 December 2016 pending publication of an admission document. On 5 July 2017, the Company announced that, due to the delay in publishing such admission document, the admission of the Company's shares to trading on AIM would be cancelled. Pursuant to AIM Rule 41, the admission of a company's shares will be cancelled where such shares have been suspended from trading for six months. Alecto's shares were suspended for more than six months and, although a short extension to the prescribed deadline for cancellation was permitted, cancellation took effect from 7.00 a.m. on 11 July 2017.

**Both the Directors and the Vendor remain committed to the proposed acquisition of Cradle Arc by the Company, and to seeking re-admission of the Group, as enlarged by the Acquisition, to trading on AIM. Accordingly, the Company intends to complete the Acquisition as expeditiously as possible (currently anticipated to occur during September 2017) and, once completed, to then make application for admission of the Company's Ordinary Shares to trading on AIM.**

In order to be able to complete the Acquisition, the Company needs to raise funding to enable it provide further working capital support to Leboam, for the Cash Consideration, transaction costs and general working capital purposes. The Company is therefore seeking the requisite authorities to issue new Ordinary Shares in connection with the Proposals, *inter alia*, to raise such finance. The Company had intended to complete a similar fundraising in connection with the reverse takeover, had that process proceeded as planned, during the second quarter of 2017. However, as such a fundraising was not completed prior to the cancellation of the Company's shares from trading on AIM, the Company intends to do so now to enable it to finance ongoing operations at Mowana, as well as the Group's ongoing costs, transaction costs and the Cash Consideration.

Accordingly, the Company now intends to raise up to £5.0 million (before expenses) for working capital purposes and to settle the Cash Consideration by way of a placing of new Ordinary Shares with institutional and other investors at a placing price at or around the Company's share price prior to suspension of trading in the Company's shares on the AIM market in December 2016, as adjusted by the proposed Share Consolidation (the Private Placing). The Company and its brokers have received a number of expressions of interest and expect to secure firm commitments over the course of the next few weeks. In anticipation of confirming final size, pricing and terms and conditions of such a placing, the Company is seeking the requisite authorisations from Shareholders for the Directors to issue such new Ordinary Shares other than on a pre-emptive basis.

The Company is also proposing to effect a share consolidation, whereby Shareholders will receive one New Ordinary Share and one A Deferred Share for every 300 Existing Ordinary Shares held. The Directors believe that the Share Consolidation will result in a more appropriate price per share for the New Ordinary Shares and will make the Private Placing more attractive to institutional investors.

Accordingly, the Board is convening a General Meeting at which Resolutions relating to the Proposals will be put to Shareholders. The General Meeting will be held at 11.00 a.m. on 31 July 2017 at the offices of Michelmores LLP, 12th Floor, 6 New Street Square, London EC4A 3BF and notice of which is set out at the end of the Circular.

The Vendor of Cradle Arc, its nominees and certain other related Shareholders are deemed to be acting in concert under the provisions of the City Code and, upon Completion, it is currently expected that the Concert Party will hold, in aggregate, more than 60 per cent. of the issued share capital as enlarged by the Proposals. A further circular will therefore be issued, requesting that independent shareholders vote on a Whitewash resolution to approve the grant of a waiver by the Panel of any obligation on the Concert Party to make a general offer to Shareholders under Rule 9 of the City Code, arising from the issue of the Consideration Shares to them pursuant to the Acquisition. This further circular, which is intended to be issued shortly following completion of the Private Placing, will contain the information and resolutions required to approve the Whitewash, which is necessary to issue the Consideration Shares to the Vendor of Cradle Arc and its nominees, thereby enabling the Acquisition to complete in full, prior to the Company seeking the admission of its enlarged issued ordinary share capital to trading on AIM.

**Shareholders should note that the Resolutions are all inter-conditional and, should any of the Resolutions not be approved, the Company will not be in a position to raise the required funds pursuant to the Private Placing and the Acquisition will not proceed. The Company will have incurred substantial costs in connection with the Acquisition and the Company would urgently need to raise additional funds by alternative means in order to meet such costs and the Group's ongoing working capital requirements. If the Company was not able to raise such funds on terms which the Directors believed were reasonable or was not able to do so in a timely manner, the Company would be at a significant risk of being forced into an insolvency process (be that administration or liquidation), as a result of which Shareholders should expect to lose the entire value of their holdings of Ordinary Shares.**

**Overview of the Mowana Copper Mine**

Production at the Mowana Copper Mine re-commenced in March 2017, having been idle for approximately 15 months. Since recommencement, over 5,000 tonnes of copper concentrate have been produced and on sold to Fujax. The mine is currently ramping up to produce approximately 4,000 tonnes of copper concentrate per month and is on track to produce and sell 12,000 tonnes to Fujax by the end of August 2017.

The Mowana Copper Mine consists of an open pit operation and a processing plant utilising standard flotation process technology that has been designed to produce saleable copper concentrate from the treatment of up to 1.2Mtpa of oxide, supergene and sulphide ores. Mowana has JORC Mineral Resources of 539,000 tonnes Cu in the Measured and Indicated categories at an average grade of 0.94 per cent. Cu, and a further 752,000 tonnes Cu grading at 0.76 per cent. Cu in the Inferred category. The Competent Person's Report in respect of Leboam's mineral assets is located on the Company's website at [www.alectominerals.com](http://www.alectominerals.com).

Alecto has agreed a management contract for the Mowana Copper Mine with Leboam pursuant to which, following completion of financing, it is entitled to receive management fees equal to 20 per cent. of Alecto's corporate costs during the project phase of the work required to design, build and commission Mowana and 1.5 per cent. of the total revenue of Leboam during the production phase following recommencement of operations.

The Company has partnered with both PenMin (the Vendor's parent company) and Digmin to structure and deliver the Acquisition. Alecto and its partners have now completed extensive due diligence on the asset, concluding that, although the geological characteristics of the ores present at Mowana mean that it will be a challenging project, an appropriate mine plan has been developed to address the issues historically encountered by prior third party management. PenMin has re-designed and re-mapped the mining operations based on a re-logging of the historical drill cores and a geological remodelling exercise to better define the ore types present and thereby increase the Company's understanding of the ore body.

In summary, the Company's future mining strategy is to treat low-oxide ores, which contain less than 25 per cent. acid soluble copper. The reason for excluding high oxide ores is predicated on the low recovery rates (30 to 40 per cent.) and low concentrate grades (approximately 15 per cent.) achieved when treating oxides in the Mowana processing plant historically. Therefore, whilst oxide ores are copper bearing, it is uneconomic to treat them using the current facilities and they will instead be stockpiled for future recovery. This approach will ensure higher recoveries are achieved in the processing plant and will also provide additional revenue potential from processing the stockpiled oxide ores in the future.

***Potential Dense Media Separation (DMS) Process Route Upgrades***

Detailed scoping studies have been completed previously by third-parties regarding the potential installation of a new DMS pre-concentration process and upgraded crushing plant at Mowana. Following completion of the Acquisition, and subject to sufficient financing being in place, upgrading of the DMS scoping study to a pre-feasibility level and further due diligence onsite, in order to qualitatively and quantitatively support the project, the Company plans to install the DMS process route upgrades. The capital cost of the upgrades is currently expected to be funded through asset based financing arrangements as described below.

Should the installation proceed, the DMS facility and associated upgrades are expected to (i) increase flotation plant throughput, (ii) reduce fine tailings production, (iii) enable mining of lower grade ore including carbonate mineralisation, and (iv) enable the rejection of carbon/graphite ahead of flotation. The ability to include carbonate mineralisation in the reported Mineral Resources provides the potential to increase the existing Mineral Resource base at Mowana.

Accordingly, the Directors believe that by installing a DMS plant and using pre-concentration, the Enlarged Group can further address the historical operational issues identified in their comprehensive due diligence exercise and also provide an additional level of automation and control. Following a review of an initial report from Minero Consulting (Pty) Ltd, Alecto believes that the upgrades could increase processing capability at the Mowana Mine from 1.2Mtpa to approximately 2.6Mtpa and achieve increased copper production of approximately 22,000 tonnes of saleable copper per annum.

PenMin has produced a financial model incorporating the base case future mining strategy and the key underlying data and assumptions which has been independently reviewed and reported on in the CPR (which is available on the Company's website). The model excludes the possible increase in throughput and efficiencies which are expected following the potential DMS process route upgrades.

The PenMin model indicates a life of mine (LOM) of 11 years (from known Mineral Resources with exploration upside potential), producing an average copper grade of 1.16 per cent. Cu, with average annual production of 11,875 tonnes Cu over the LOM. The model indicates a potential net present value (at a 10 per cent. discount rate) of US$87.4 million over the life of the Mowana Mine and an unlevered IRR of 56 per cent. As announced by the Company in December 2016, when PenMin included the initial results of the DMS scoping study, the installation of a DMS processing plant upgrade showed potentially enhanced economics, with the NPV of the Mowana Project (at a 10 per cent. discount rate) increasing to US$245 million and an IRR of 55 per cent.

**Overview of the Leboam Acquisition and the Acquisition**

Leboam agreed conditionally to acquire the assets that comprise Mowana from MCB through a liquidation process which was approved by the High Court of Botswana in Lobatse pursuant to a meeting of MCB's creditors held on 16 December 2016. Prior to the commencement of MCB's liquidation proceedings on 13 November 2015, MCB was controlled by African Copper plc, the shares of which were cancelled from trading on AIM on 8 June 2015. Whilst legal title to the assets which comprise the Mowana Copper Mine has been transferred to Leboam, an administrative condition precedent to the Acquisition Agreement, relating to the registration of security over some of the assets in Botswana remains outstanding. This remaining condition is expected to be satisfied prior to Completion.

The consideration for the Mowana Copper Mine comprises a deferred cash payment of US$20 million, due to the liquidator of MCB by 30 September 2017 (the Leboam Payment) and the assignment of US$100 million of debt to Leboam, currently owed to ZCI by MCB. ZCI was the major creditor to MCB and currently holds security over the Mowana assets and a pledge over Cradle Arc's Leboam shares. Subject to the Leboam Payment being made by 30 September 2017, ZCI has agreed to restructure its debt, such that it will release its security in its entirety, convert US$79 million of the debt into 40.0 per cent. of the equity in Leboam, leaving an unsecured term loan of US$21 million, repayable over a 10 year period (together, the ZCI Debt Restructuring).

Leboam has entered into a five year US$20 million offtake funding arrangement with Fujax, the drawdown of which is currently intended to be utilised to settle the US$20 million Leboam Payment. The terms of such offtake financing and conditional funding to be provided by Fujax are set out in the Offtake Funding Agreement and the Fujax Financing Agreement. The Fujax Financing is expected to become available for drawdown subject to a series of conditions precedent, including the production of 12,000 tonnes of copper concentrate from the Mowana Copper Mine (which is expected to be achieved by the end of August 2017) and unconditional financing being in place for the DMS process route plant upgrades (negotiations for which are underway).

Accordingly, following completion of the ZCI Debt Restructuring, Cradle Arc will be interested in 60.0 per cent. of the issued share capital of Leboam, with US$20 million of debt outstanding to Fujax and US$21 million of unsecured debt outstanding to ZCI.

In the event that any of the conditions to the Fujax Financing are not met or, for any other reason, the financing is not available as anticipated, the Company would seek alternative providers of similar asset financing and off-take financing.

The Directors are confident that the conditions to the Fujax Financing Agreement relating to production and the DMS upgrade financing can be met before the end of September 2017. Following the conditions to the Fujax Financing Agreement being satisfied and the subsequent completion of the ZCI Debt Restructuring, the Company intends to make an application for admission of the Company's enlarged issued share capital to trading on AIM, which is currently expected to occur during September 2017.

**Current trading and prospects**

The Group's activities during 2016 were principally focussed on Alecto's wholly owned subsidiary Luiri Gold Mines Ltd and its Matala and Dunrobin gold mines in Zambia. This involved completion of an internal scoping study which shifted the Company's initial focus to Matala, reducing capital expenditure, while improving the prospect of early cash flows. The subsequent feasibility study for Matala was based on a 400,000 tonnes per annum open pit operation with a life of mine of approximately 4.8 years at an assumed gold price of US$1,200 per ounce and returned the following fundamentals:

- estimated capital costs for plant and infrastructure of US$14.4 million;
- project net present value of US$28.6 million at an 8 per cent. discount rate; and
- unlevered project IRR of 52 per cent.

Alecto is actively pursuing funding options to commence operations at Matala.

During 2016, Alecto also entered into joint venture agreements on three of its Malian gold exploration projects, namely:

- in February 2016, Alecto entered into a joint venture with Randgold Resources in respect of its Kossanto West gold project;
- in May 2016, Alecto entered into a joint venture with Cora Gold in respect of its Karan gold project; and
- in August 2016, Alecto entered into a joint venture with Ashanti Gold in respect of its Kossanto East gold project.

On 21 December 2016, Alecto announced the execution of the conditional Acquisition Agreement to acquire the entire issued share capital of Cradle Arc.

During 2017, Alecto has raised, in aggregate, £1.8 million gross through the issue of convertible loan notes (of which, the convertible loan notes issued in January 2017 and due for repayment by 16 July 2017, have subsequently been extended to 31 December 2018). The majority of this funding has been lent to Leboam.

Alecto has continued to develop its gold asset portfolio, in particular Zambia, but has focussed on minimising corporate costs in the run up to completing the Acquisition. Subsequent to the issue of the further convertible loan notes, announced on 7 June 2017, and after making further loan payments to

Leboam, as at 30 June 2017, the Company had cash balances of approximately £123,000, which the directors believe is sufficient to cover expected corporate costs through to the end of August 2017.

Ownership of the Mowana Mine will, the Directors believe, be transformational for Alecto. The Acquisition would transform Alecto into a producing mining company, rather than purely being an exploration company. Furthermore, the potential to increase capacity at Mowana via certain process route upgrades offers a material opportunity to generate future Shareholder value. The Acquisition will also strengthen the Group's balance sheet and the Directors expect that this will thereby improve the Group's ability to raise finance to develop the Group's other assets, in particular its Zambian gold assets.

Alecto's annual report and accounts for the year ended 31 December 2016 have not yet been published. The Company currently expects to do so shortly following completion of the anticipated Private Placing.

**Board changes**

On 9 June 2017, the Company announced the appointment of Roger Williams to the Board of the Company as a Non-Executive Director with immediate effect.

On 11 July 2017, Gerald Chapman resigned as a Non-Executive Director with immediate effect.

**Share Consolidation**

The existing ordinary share capital comprises 5,649,248,546 Ordinary Shares. The Share Consolidation, which is expected to take place after close of business on the Share Consolidation Record Date will involve every 300 Existing Ordinary Shares being consolidated and then subdivided into one New Ordinary Share and one "A" Deferred Share. Accordingly, the Company will issue one New Ordinary Share and one A Deferred Share in exchange for every 300 Existing Ordinary Shares held, as set out in Resolutions 1 and 2 to be proposed at the General Meeting. The rights attached to the New Ordinary Shares will be the same as the rights attached to the Existing Ordinary Shares.

Following the Share Consolidation, Shareholders will own the same proportion of Ordinary Shares in the Company as they did previously (subject to fractional entitlements) but will hold fewer New Ordinary Shares than the number of Existing Ordinary Shares currently held. The Share Consolidation will result in an issued ordinary share capital of 18,830,829 New Ordinary Shares.

The new A Deferred Shares created as a result of the Share Consolidation will be effectively valueless as they do not carry any rights to vote or dividend rights and are being issued simply to derive a lower, more standard, nominal value for the New Ordinary Shares. In addition, holders of such A Deferred Shares are only entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of the New Ordinary Shares have received a payment of £10 million on each such share. The new A Deferred Shares created as a result of the Share Consolidation will not be quoted or traded on AIM and will not be transferable without the prior written consent of the Board. No share certificates will be issued in respect of such new A Deferred Shares, nor will CREST accounts of shareholders be credited in respect of any entitlement to new A Deferred Shares. It is intended that, in due course, all the A Deferred Shares will be repurchased by the Company for an aggregate sum of one penny and cancelled.

In order to ensure that a whole number of New Ordinary Shares is created, it is proposed that the Company issues 154 new Ordinary Shares, which will thereby result in the total number of Existing Ordinary Shares being exactly divisible in accordance with the consolidation ratio. No Shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the Share Consolidation, any Shareholder would otherwise be entitled to a fraction only of a New Ordinary Share in respect of their holding of Existing Ordinary Shares on the date of the General Meeting (a "Fractional Shareholder"), such fractions will, in so far as possible, be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders of the Company would be entitled so as to form full New Ordinary Shares (Fractional Entitlement Shares). These Fractional Entitlement Shares will be aggregated and either sold in the market and the net proceeds retained for the benefit of the Company or held in treasury at the Company's sole discretion. Accordingly, no fractional payments of New Ordinary Shares will be paid to Shareholders.

The provisions set out above mean that any such Fractional Shareholders will not have a resultant proportionate shareholding of New Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares and, as noted above, Shareholders with only a fractional entitlement to a New Ordinary Share (i.e. those Shareholders holding a total of fewer than 300 Existing Ordinary Shares at the Share Consolidation Record Date) will cease to be a Shareholder of the Company.

The Company will issue new share certificates to those Shareholders holding shares in certificated form to take account of the Share Consolidation. Following the issue of new share certificates, share certificates in respect of the Existing Ordinary Shares will no longer be valid.

For Shareholders who hold their shares in uncertificated form it is expected that New Ordinary Shares will be credited to shareholders' CREST accounts at 8.00 a.m. on 1 August 2017. Certificates representing Existing Ordinary Shares will no longer be valid if the Share Consolidation is approved at the General Meeting. For Shareholders who hold their Existing Ordinary Shares in certificated form, new share certificates in respect of the New Ordinary Shares are expected to be posted by Share Registrars to certificated shareholders in their new form by 11 August 2017. The new share certificates will be sent by first class post at the risk of the Shareholders concerned. The ISIN for the New Ordinary Shares will be GB00BYZ6H873.

**General Meeting**

The Notice convening the General Meeting is set out at the end of the Circular. The General Meeting has been convened for 11.00 a.m. on 31 July 2017 at the offices of Michelmores LLP, 12th Floor, 6 New Street Square, London EC4A 3BF, where the following Resolutions will be proposed:

*Resolution 1:* an ordinary resolution (subject to, and conditional upon, the passing of Resolutions 2 to 5) to approve the Share Consolidation by converting 300 Existing Ordinary Shares of £0.0001 into one “Consolidated Share” of £0.03;

*Resolution 2:* an ordinary resolution (subject to, and conditional upon, the passing of Resolutions 1, 3, 4 and 5) to then subdivide each Consolidated Share into one new Ordinary Share of £0.0001 each having the same rights as the Existing Ordinary Shares and one A Deferred Share of £0.0299 each of which will have the rights or entitlements set out in the Articles (as amended by Resolution 3) and for which share certificates will not be issued;

*Resolution 3:* a special resolution (subject to, and conditional upon, the passing of Resolutions 1, 2, 4 and 5) to amend the articles of association of the Company to provide for the A Deferred Shares. This resolution confirms that the rights attaching to the A Deferred Shares are of no commercial value;

*Resolution 4:* an ordinary resolution (subject to, and conditional upon, the passing of Resolutions 1, 2, 3 and 5) to authorise the Directors to allot equity securities up to a maximum aggregate nominal value of £5,000; and

*Resolution 5:* a special resolution (subject to, and conditional upon, the passing of Resolutions 1 to 4) to disapply statutory pre-emption rights generally available to shareholders up to a maximum aggregate nominal value of £5,000.

**Shareholders should note that the Resolutions are inter-conditional and, should any of the Resolutions not be approved, the Company will not be in a position to raise the required funds pursuant to the Private Placing and the Acquisition will not proceed. The Company will have incurred substantial costs in connection with the Acquisition and the Company would urgently need to raise additional funds by alternative means in order to meet such costs and its ongoing working capital requirements. If the Company was not able to raise such funds on terms which the Directors believed were reasonable or was not able to do so in a timely manner, the Company would be at a significant risk of being forced into an insolvency process (be that administration or liquidation), as a result of which Shareholders should expect to lose the entire value of their holdings of Ordinary Shares.**

**Accordingly, it is critical to the future of the Company that Shareholders vote in favour of the Resolutions in order that the Proposals can proceed and that the Group can continue to operate.**

**Action to be taken**

A Form of Proxy is enclosed with the Circular for use by Shareholders in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, Shareholders are asked to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by the Company’s registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, as soon as possible and in any event so as to arrive not later than 11.00 a.m. on 27 July 2017, being 48 hours (excluding weekends and public holidays) before the time appointed for the holding of the General Meeting. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they wish so to do. Accordingly, whether or not Shareholders intend to attend the General Meeting they are urged to complete and return the Form of Proxy as soon as possible.

**CREST**

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

Notwithstanding the cancellation of the Company's share capital from trading on AIM, the Existing Ordinary Shares are eligible for CREST settlement. Accordingly, following issue and allotment, settlement of transactions in the New Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

For more information concerning CREST, Shareholders should contact their stockbroker.

**Directors' Recommendation and voting intentions**

**The Directors consider the terms of the Proposals to be fair and reasonable and in the best interests of Shareholders and the Company as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of all of the Resolutions to be proposed at the General Meeting.**

**The Directors who hold Alecto shares, being Toby Howell, Mark Jones and Dominic Doherty intend to vote in favour of the Resolutions in respect of their beneficial holdings of, in aggregate, 51,688,666 Existing Ordinary Shares representing, approximately, 0.91 per cent. of the Existing Ordinary Shares.**

**Expected Timetable of Principal Events**

The following is the expected timetable of principal events in relation to the Share Consolidation:

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| Publication of the Circular and the Form of Proxy | 14 July 2017 |
| Latest time and date for receipt of Forms of Proxy for use at the General Meeting | 11.00 a.m. on 27 July 2017 |
| General Meeting | 11.00 a.m. on 31 July 2017 |
| Share Consolidation Record Date | close of business on 31 July 2017 |
| Crediting of CREST accounts with the New Ordinary Shares | 8.00 a.m. on 1 August 2017 |
| Definitive share certificates (where applicable) expected to be by no later than 11 August 2017 despatched | by no later than 11 August 2017 |

**Share Consolidation Statistics**

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| Number of Existing Ordinary Shares in issue | 5,649,248,546 |
| Share Consolidation Ratio | 300:1 |
| Number of New Ordinary Shares in issue following the Share Consolidation(1) | 18,830,829 |
| Number of A Deferred Shares to be issued pursuant to the Share Consolidation | 18,830,829 |
| SEDOL of the Existing Ordinary Shares | B5SCHP6 |
| SEDOL of the New Ordinary Shares | BYZ6H87 |
| ISIN of the Existing Ordinary Shares | GB00B5SCHP68 |
| ISIN of the New Ordinary Shares | GB00BYZ6H873 |

*Note: (1) To facilitate the Share Consolidation, immediately prior to the Share Consolidation Record Date, 154 Ordinary Shares will be issued at par which will be held on trust for the Company.*

## Definitions

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| **Acquisition** | the proposed acquisition of the entire issued share capital of Cradle Arc by Alecto pursuant to the terms and conditions of the Acquisition Agreement; |
| **Acquisition Agreement** | the conditional acquisition agreement entered into between the Vendor, Alecto and Cradle Arc dated 20 December 2016; |
| **A Deferred Shares** | the deferred shares of £0.0299 each in the capital of the Company to be created pursuant to the Share Consolidation; |
| **AIM** | the AIM market of the London Stock Exchange; |
| **AIM Rules** | the London Stock Exchange's rules and guidance notes contained in its "AIM Rules for Companies" publication relating to companies whose securities are traded on AIM, as amended from time to time; |
| **Alecto Group** or **Group** | Alecto and its Subsidiaries; |

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| **Board** | the board of directors of Alecto from time to time; |
| **Botswana** | the Republic of Botswana; |
| **Cash Consideration** | a cash sum of £1 million due to the Vendor within three months of Completion; |
| **certificated** or **certificated form** | means not in uncertificated form; |
| **City Code** | the UK City Code on Takeovers and Mergers; |
| **Companies Act** or **Act** | the Companies Act 2006, as amended; |
| **Company or Alecto** | Alecto Minerals PLC, a public limited company incorporated in England and Wales with registered number 05315922; |
| **Competent Person or Wardell Armstrong** | Wardell Armstrong LLP, being the independent technical consultant appointed by the Company under the requirements of the AIM guidance note for Mining, Oil and Gas Companies; |
| **Competent Person's Report** or **CPR** | the report prepared by the Competent Person, which can be accessed via the Company's website; |
| **Completion** | completion of the Acquisition pursuant to the terms of the Acquisition Agreement; |
| **Consideration Shares** | such number of New Ordinary Shares to be issued by the Company to the Vendor and its nominees pursuant to the Acquisition Agreement representing 60 per cent. of the enlarged share capital on Completion; |
| **Cradle Arc** | Cradle Arc Investments (Proprietary) Limited, a company incorporated in Botswana with registered number 2016/7916 and being a wholly-owned subsidiary of the Vendor prior to Completion; |
| **Cradle Arc Loan Facility** | the loan of up to US$2 million made to Cradle Arc by Alecto, which was used to fund the recommencement of operations at the Mowana Copper Mine; |
| **CREST** | the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations; |
| **CREST Regulations** | the Uncertificated Securities Regulations 2001, as amended; |
| **Digmin** | Digmin Group (Pty) Ltd; |

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| **Directors** | the directors of Alecto at the date of this announcement, being Toby Howell, Mark Jones, Dominic Doherty and Roger Williams; |
| **DMS** | dense media separation process route pre-concentration plant upgrades; |
| **Dunrobin** | the historical gold mine located approximately 120km from Lusaka in Zambia; |
| **Enlarged Group** | the Group as enlarged by the Acquisition; |
| **Excluded Territories** | Australia, Canada, Dubai International Financial Centre, Guernsey, Jersey, Japan, Malaysia, New Zealand, Singapore, Switzerland, The Republic of South Africa and the United States and any jurisdiction where the availability of the Private Placing would breach any applicable laws or regulations and Excluded Territory shall mean any of them; |
| **Existing Ordinary Shares** | the 5,649,248,546 Ordinary Shares in issue as at the date of this announcement; |
| **Existing Shareholders** | the Shareholders as at the date of this announcement; |
| **FCA** | the Financial Conduct Authority; |
| **Form of Proxy** | the form of proxy for use at the General Meeting; |
| **FSMA** | the UK Financial Services and Markets Act 2000, as amended; |
| **Fujax** | Fujax Minerals and Energy Limited, a company incorporated in the Seychelles, with registered offices at Unit 117, Orion Mall, Palm Street, Mahé, Seychelles; |
| **Fujax Financing** | the conditional US$20.0 million financing to be provided to Leboam by Fujax pursuant to the Offtake Funding Agreement and the Fujax Financing Agreement, which is intended to be used to settle the Leboam Payment; |
| **Fujax Financing Agreement** | the conditional financing agreement between Leboam and Fujax dated 28 February 2017; |
| **General Meeting** | the general meeting of Alecto to be held at the offices of Michelmores LLP, 12th Floor, 6 New Street Square, London EC4A 3BF at 11.00 a.m. on 31 July 2017, notice of which is set out in the “Notice of General Meeting” at the end of the Circular; |
| **Group** | the Company together with its subsidiaries |

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| **IRR** | internal rate of return; |
| **ISIN** | International Securities Identification Number; |
| **Leboam** | Leboam Holdings Limited, a company incorporated in and registered in Botswana with company number 2016/13605, a wholly owned subsidiary of Cradle Arc; |
| **Leboam Payment** | the US$20 million payment due to the liquidator of MCB by 30 September 2017 to be paid to MCB's creditors to settle their claims in full; |
| **London Stock Exchange** | London Stock Exchange plc; |
| **Matala** | the historical Matala gold mine located approximately 120km from Lusaka in Zambia; |
| **MCB** | Messina Copper (Botswana) (Pty) Limited; |
| **Mowana**, **Mowana Copper Mine** or **Mowana Project** | the operational Mowana copper mine located in north east Botswana; |
| **New Ordinary Shares** | ordinary shares of £0.0001 each in the capital of the Company following the Share Consolidation; |
| **NPV** | net present value; |
| **Offtake Funding Agreement** | the sale/purchase agreement between Leboam and Fujax for Mowana sulphide copper concentrates dated 29 November 2016 and as amended on 20 December 2016 (which amendment added Cradle Arc as a party); |
| **Ordinary Shares** | ordinary shares in the issued share capital of the Company from time to time; |
| **PenMin** | PenMin (Pty) Limited, incorporated in the Republic of South Africa with its registered office at 1st Floor, Unit 5, 299 Pendoring Road, Randburg, 2195, South Africa; |
| **Private Placing** | the proposed private placing to raise up to £5.0 million; |
| **Proposals** | together, the Share Consolidation and the authority to issue new Ordinary Shares pursuant to, *inter alia*, the Private Placing; |
| **Resolutions** | the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting and "Resolution" means any of them; |

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| **Share Consolidation** | the proposed consolidation and sub-division of every 300 Existing Ordinary Shares into one New Ordinary Shares and one A Deferred Share; |
| **Share Consolidation Record Date** | close of business on 31 July 2017, being the record date for the Share Consolidation; |
| **Share Registrars** or **Registrar** | Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR; |
| **Shareholders** | holders of Ordinary Shares; |
| **Strand Hanson** | Strand Hanson Limited, financial adviser to the Company; |
| **uncertificated** or **in uncertificated form** | Ordinary Shares held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; |
| **United Kingdom** or **UK** | the United Kingdom of Great Britain and Northern Ireland; |
| **United States** or **US** | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; |
| **Vendor** or **PenMin (Botswana)** | PenMin Botswana Proprietary Limited, incorporated in Botswana with registered number CO2016/17875, and prior to Completion, the direct parent entity of Cradle Arc; |
| **Whitewash** | the procedure for obtaining a waiver of the obligation pursuant to Rule 9 of the City Code to make a general offer for the entire issued share capital of the Company; |
| **ZCI** | ZCI Limited; |
| **ZCI Convertible Secured Term Loan Agreement** | the convertible secured term loan agreement dated 14 December 2016 between ZCI and Leboam; |
| **ZCI Debt Restructuring** | the conversion of US$79 million of ZCI's outstanding debt into 40 per cent. of Leboam's issued share capital pursuant to the terms of the ZCI Convertible Secured Term Loan Agreement, with the residual US$21 million remaining as the ZCI Term Loan; |
| **ZCI Loan Agreement** | the amended and restated loan agreement dated 14 December 2016 between ZCI and Leboam pursuant to which Leboam agreed to enter the ZCI Term Loan; and |
| **ZCI Term Loan** | the US$21 million term loan entered into pursuant to the terms |

of the ZCI Loan Agreement.

For further information please visit www.alectominerals.com, follow us on Twitter @AlectoMinerals, or contact:


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