7 June 2017

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

Issue of Further Convertible Loan Notes to raise £0.8 million (gross)

Alecto Minerals plc (AIM: ALO), the African focused gold exploration and development company, is pleased to announce that it has raised £800,000 (before expenses) via the issue of further Convertible Loan Notes on similar terms as those issued by the Company, and detailed in its announcement on 17 January 2017 (the "Notes").

The Mowana Copper Mine, located in north east Botswana, is currently ramping up to full production capacity and, as announced on 12 May 2017, the Company is on track to deliver production of 12,000 tonnes of copper concentrate in Q3 2017.

Alecto is simultaneously progressing the completion of its acquisition of Cradle Arc Investments (Proprietary) Limited ("Cradle"), which, via its wholly owned subsidiary, owns the Mowana Copper Mine, which will constitute a reverse takeover ("RTO") pursuant to the AIM Rules for Companies. The Company anticipates publishing an Admission Document, and seeking re-admission to trading on AIM ("Re-Admission"), by the end of June 2017. Accordingly, the funds raised from the issue of the Notes will be used to provide a loan of up to US$1 million to Cradle to meet the working capital requirements of the Mowana Copper Mine during the ramp-up phase.

The additional Notes have been subscribed for by certain clients (the "Noteholders") of Beaufort Securities Limited, the Company's broker. The principal terms of the Notes are as follows:

- The Notes are repayable by the Company on 2 December 2017.
- Interest at the fixed rate of 20 per cent. representing, in aggregate, £160,000, will be paid to the Noteholders and will be satisfied by the issue of new ordinary shares of 0.01 pence each in the capital of the Company ("Ordinary Shares") at a price of 0.06625 pence per Ordinary Share, being the mid-market price at which the Ordinary Shares were suspended from trading on AIM on 21 December 2016. This will result in the issue of, in aggregate, 241,509,434 Ordinary Shares to the Noteholders (the "Interest Shares").
- The Noteholders have the right, but not the obligation, to convert part of, or the whole of, the principal amount outstanding under the Notes into new Ordinary Shares at any time. During the first ten trading days following the date of Re-Admission, the Noteholders can convert the principal amount of the Notes at a conversion price equal to the lower of (a) the closing price per Ordinary Share on the trading day immediately after Re-Admission and (b) 80 per cent. of the closing mid-price per Ordinary Share as quoted on AIM on the trading day immediately prior to the date of receipt by the Company of the conversion notice in question (the "Floating Price"). Following that initial ten trading day period, the conversion price will be the Floating Price.

- The Notes will not be converted to the extent that doing so would trigger a mandatory offer for the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers.
- The terms of the Notes include customary terms of default pursuant to which the Noteholders may demand immediate repayment including in the event that the proposed acquisition of Cradle is not completed.

Beaufort Securities Ltd and a client of Beaufort Securities Ltd will be paid fees of £50,000 and £66,250 respectively in connection with the issue of the Notes, to be satisfied by the issue of 75,471,698 new Ordinary Shares and 100,000,000 new Ordinary Shares respectively (together, the “Fee Shares”), both at the price of 0.06625 pence per new Ordinary Share.

The Fee Shares and the Interest Shares will be issued to the relevant parties shortly, and application will be made to the London Stock Exchange plc for the Interest Shares and the Fee Shares to be admitted to trading on AIM (“Admission”) in due course. It is expected that the aforementioned shares will be admitted to AIM on Re-Admission, when the Company’s current suspension from trading is lifted. The Interest Shares and Fee Shares will be fully paid and will rank *pari passu* in all respects with the Company’s existing Ordinary Shares.

Mark Jones, CEO of Alecto, commented:

“We are pleased to secure this additional CLN facility which, together with the revenue currently being generated at the Mowana Copper Mine from ongoing copper concentrate production, will go towards fulfilling the mine’s working capital requirements ahead of effecting the first phase of our full scale production plan at Mowana. It is intended that, during Q3 2017, at least 12,000 tonnes of copper concentrate is produced from the Mowana Copper Mine and delivered to its offtake partner, ahead of making a decision regarding the construction of a Dense Media Separation plant, which has the potential to then double output at the mine. The coming months are expected to be transformational for Alecto and this CLN will support us while we drive our business forward.”

****ENDS****

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

Notes to editors:

Alecto Minerals plc is an African focused, copper and gold exploration and development company quoted on AIM, with a prospective copper project in Botswana in production, gold exploration projects in Mali, Burkina Faso and Mauritania and a development project with near-term gold production in Zambia.

In Botswana, the Company is, subject, *inter alia*, to funding and shareholder approval, intending to acquire a 60% interest in the Mowana Copper Mine, a producing copper mine and plant. Alecto has also agreed a 10-year management contract for Mowana with its partners and will receive management fees equal to 1.5% of revenue.

In Zambia, the historical Matala and Dunrobin gold mines have, in aggregate, a 760,000oz Au JORC Code compliant resource estimate in the Measured, Indicated and Inferred categories at an average grade of 2.3g/t Au. The Company is focused on bringing Matala into low-cost production in the near to mid-term.

In Mali, the Company has secured a number of joint-venture agreements, in-line with its strategy to retain exposure to the value in its African gold exploration portfolio for little or no cost; the Kossanto East project, which has an inferred JORC Code compliant resource estimate of 6.72Mt grading at 1.14g/t Au for an aggregate of 247,000 oz Au with a cut-off grade of 0.5g/t Au, is under a joint venture agreement with Ashanti Gold Corp; the Kossanto West Project is under a joint venture with Randgold Resources Limited; and the 250 sq. km. Karan gold project in southern Mali is under joint venture with Cora Gold Limited.

Alecto also owns the Kerboulé Project, located in the highly prospective Birrimian-age Djibo gold belt in northern Burkina Faso, as well as the wholly owned Wad Amour IOCG Project in Mauritania which is at an exploration stage.

Accordingly, the Company has a strong, diversified project portfolio with exciting exploration upside potential.