

22 August 2016

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

Letter of Intent for Earn-in Agreement for Kossanto East Gold Project

Alecto Minerals plc (AIM: ALO), the Africa-focused gold and base metal exploration and development company, is delighted to announce that it has signed a non-binding letter of intent ('LOI') with Ashanti Gold Corp. ('Ashanti'), a Toronto Venture Exchange listed public company (TSX: AGZ.V), for Ashanti to earn an interest in the Company's Kossanto East Gold Project (the 'Project') in western Mali, which has a JORC-Code compliant mineral resource estimate of 247,000 oz Au and significant further upside potential.

Highlights:

- LOI envisages Ashanti having the right to earn-in for a 65 per cent. interest in the Project (the 'Earn-In') by completing a Preliminary Feasibility Study ('PFS') within a period of 36 months (the 'Option Period')
- Should Ashanti not complete the PFS within the Option Period, it may instead elect to pay, in cash, US\$4 million to Alecto within 90 days of the end of the Option Period in order to satisfy the Earn-In requirement
- Ashanti will be the operator of the Project's exploration and development programmes during the Option Period
- Upon completion of the Earn-In, Ashanti and Alecto will form a joint venture and contribute proportionally to the Project's continuing exploration and development
- 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 return 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)
- Entering into a binding agreement in due course will mark the completion of Alecto's strategy to continue to participate in its exciting exploration portfolio in Mali, without further funding contributions in the medium term, thereby allowing the Company to concentrate on its primary goal of becoming a gold producer in Southern Africa

A further announcement in respect of the Earn-In will be made at the appropriate time on agreement of and entering into definitive legally binding documentation.

Mark Jones, Alecto's CEO, commented:

"We are delighted to announce such a positive step to potentially expand the exploration and resource potential at our Kossanto East Gold Project in western Mali. Kossanto East was the exploration focus for our field teams throughout the 2013-2015 work seasons, which culminated in the establishment of a JORC-Code compliant mineral resource estimate of 247,000 oz Au.

“Field work to expand this resource across well-defined exploration targets was curtailed in 2015 when global funding sources for such exploration activities effectively dried up. During the 2015 field season we worked closely with neighbouring Desert Gold Ventures Inc. to complete an internal scoping study for potential joint small scale production. Whilst the economics were positive, it was clear that both company’s projects would benefit from additional exploration in order to maximise the potential for future production.

“In the prevailing gold price environment it is clear that there is a renewed interest in gold exploration, and our proposed partnership with Ashanti will enable us to realise the full potential of Kossanto East. With the Gourbassi deposits open along strike and some excellent initial results from exploration targets such as Berola (15 metres @ 1.18 g/t Au from surface) we are confident that together we will be able to build a larger mining play at this very exciting project area. In addition, the option remains to work with Desert Gold, should it serve the interests of all parties. This complements perfectly our existing joint venture with Randgold Resources Limited at the neighbouring Kossanto West project, and our joint venture with Kola Gold Limited at Karan in southern Mali. While these continue to create value, we will focus on bringing the Matala and Dunrobin Gold Projects in Zambia into production.”

About Kossanto East

The Kossanto East Project comprises a 66.41 km² licence area located in the felsic volcanic rocks in between two major regional structures, the Main Transcurrent Shear Zone (‘MTZ’) and the Senegal-Malian Fault (‘SMF’), that host all of the major gold deposits in the Birrimian-age rocks of the Kedougou-Kenieba inlier in western Mali. Alecto announced an independent JORC-Code compliant inferred mineral resource estimate of 6.72Mt grading at 1.14 g/t for an aggregate of 247,000 oz Au (at a cut-off grade of 0.5 g/t) in June 2014, completed by Wardell-Armstrong International. Alecto has a well established exploration camp on the property and will be making available to the joint venture its full complement of exploration equipment, including a Rotary Air Blast (‘RAB’) drilling rig, an auger rig, geophysical and geochemical sampling equipment and its established office in Bamako.

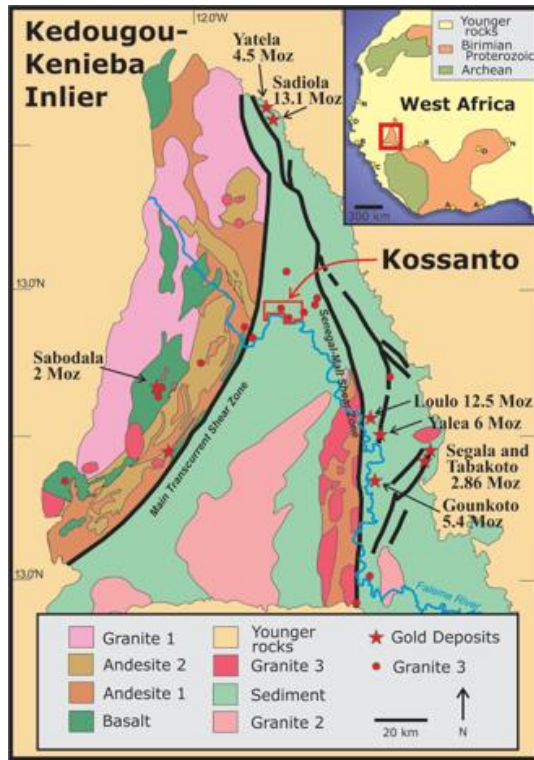


Figure 1. Location of Kossanto East Gold Project, western Mali

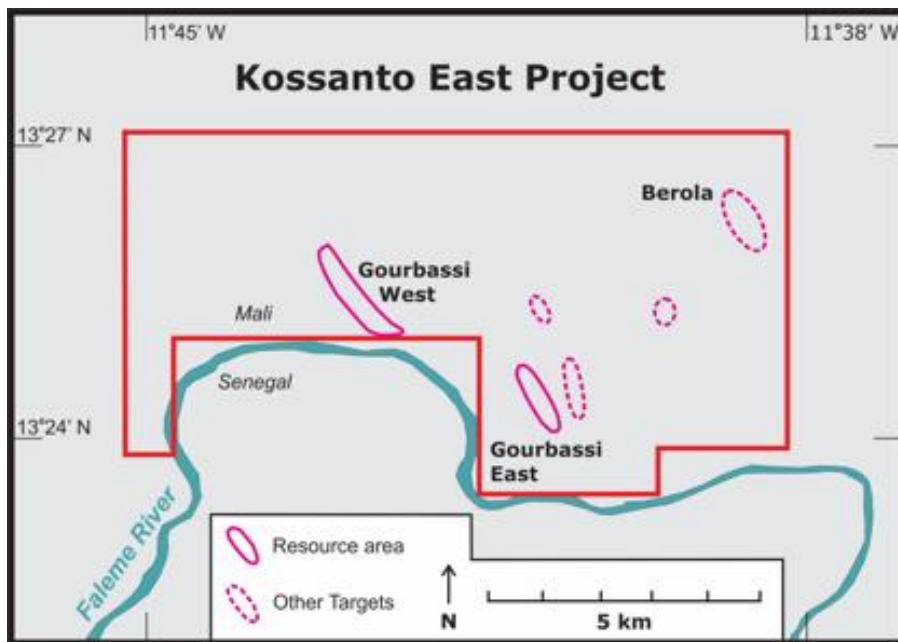


Figure 2. Location of Kossanto East Gold Project targets

Alecto's Exploration Projects in Mali

The Kossanto East Gold Project also lies adjacent to the Company's Kossanto West Gold Project which is subject to a joint venture agreement with Randgold Resources (Mali) Limited, a wholly owned subsidiary of FTSE-100 Randgold Resources Limited (LSE: RRS) ('Randgold'). Randgold began working

on the Kossanto West project in Q2 2016 and recently published positive results from its initial exploration activities.

Located in a different geological environment to Kossanto East, Randgold confirmed soil anomalies that had been previously identified by Alecto's geology team, and announced that they had identified the NW-SE striking lithologies in the area and several major geological domains that are interpreted as basal sediments and clastic rocks intruded by a range of different plutonic rocks in the east and a mélangé of volcano-sedimentary rocks in the west.

Randgold is conducting exploration activities at Kossanto West to potentially earn in a 65 per cent. interest in the two licences that comprise the Kossanto West Project, namely Kobokoto East and Koussikoto.

Further south, as announced on 12 May 2016, Alecto has entered into a joint venture with Cora Gold Limited ('Cora Gold'), a wholly owned subsidiary of Kola Gold Limited, in respect of the Company's 250 km² Karan Gold Project. This significant greenfield exploration project is part of a substantial land package concentrating on the gold mineralisation potential of the Siguiri basin rocks in southern Mali. Pursuant to the joint venture arrangement, Cora Gold has agreed to solely fund exploration activities through to completion of a Scoping Study in order to achieve a 65 per cent. interest in the Karan permit, followed by a further 15 per cent. interest to Cora Gold on completion of a Bankable Feasibility Study.

All field work in Mali will resume after the rainy season (expected to be in November 2016).

This announcement contains inside information.

****ENDS****

For further information please visit www.alectominerals.com, follow us on Twitter [@AlectoMinerals](https://twitter.com/AlectoMinerals), or contact:

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Notes to editors:

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

In Zambia, the historical Matala and Dunrobin gold mines have, in aggregate, a 760,000 oz 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 Kossanto East project has a current independent 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 at Kossanto East. The project is located in the centre of the Kenieba inlier in western Mali. The Kenieba inlier is a block of ancient greenstones and granites hosting many significant gold deposits in Senegal and Mali, making it one of the most important gold regions in Africa.

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 planned near-term production and exciting exploration upside potential.