

17 May 2016

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

Placing to Raise £665,000 gross

Alecto Minerals plc (AIM: ALO), the Africa-focused gold and base metal exploration and development company, is pleased to announce that it has raised £665,000 (before expenses) by way of a placing of 831,250,000 new ordinary shares of 0.01 pence each in the capital of the Company (the 'Placing Shares') at a price of 0.08 pence per Placing Share (the 'Placing Price'), with new and existing shareholders (the 'Placing').

The net proceeds of the Placing, which was fully subscribed, will provide the Company with additional working capital as it continues to make rapid progress towards its goal of bringing the 400,000 tonnes per annum open-pit Matala Gold Project in south-central Zambia ('Matala' or the 'Project'), into low-cost production in the near to mid-term.

The Placing Shares will represent, in aggregate, approximately 18.64 per cent. of the Company's enlarged issued share capital.

The Company is currently in a close period pursuant to the AIM Rules for Companies, due to the forthcoming publication of the Company's audited accounts for the year ended 31 December 2015, thereby preventing the Directors from participating in the Placing. As soon as the Company is out of a close period, which is expected to occur shortly, Alecto's CEO, Mark Jones, intends to subscribe for 12,500,000 new Ordinary Shares, amounting to £10,000 at the Placing Price. A further announcement will be made as and when appropriate.

Alecto's CEO, Mark Jones, commented:

"We are delighted to have received such strong support and positive interest in the fundraising. The Board is extremely mindful of dilution, so it was unfortunate that, despite strong news flow following our acquisition of Matala, including the announcement of two joint ventures, that there has not been greater traction in the share price, allowing us to raise funds at a premium to our last fundraise in November 2015.

"However, the Board is acutely aware of the importance of maintaining momentum on the ground in Zambia, to build on the excellent start we have already made. There is potentially still huge upside for stakeholders if we get this right.

"With this in mind, we will continue to focus and deliver on our strategy, which I believe will translate into share price appreciation moving forward. We look forward to keeping shareholders updated as we progress the development of Matala and as our recently announced joint ventures with Randgold Resources and Cora Gold begin to produce results."

Following the Company's acquisition of the historical Matala and Dunrobin gold mines in Zambia, announced in November 2015, Alecto has made rapid progress towards their development. Having delivered a Feasibility Study for Matala, ahead of schedule, for a mine plan of 4 years 8 months and modelled at a \$1,200/oz gold price, Alecto went on to sign agreements with Yantai Xinhai Machinery Co. Ltd ('Xinhai') and PenMin (Pty) Ltd with respect to the mine's construction and financing. On 13 April 2016, Alecto announced that Xinhai had made a commitment to arranging vendor financing to cover the plant and infrastructure costs and further detailed planning is currently ongoing. The net proceeds of the Placing will enable Alecto to continue to develop Matala, whilst also ensuring that progress continues across its wider portfolio.

In Burkina Faso, the Company has recently had its exploration permits renewed at the Kerboulé Gold Project, which has an independent (non-JORC) *in-situ* gold resource estimate of 6.2Mt, at 1.16g/t Au, for 230,758 oz gold, and joint venture discussions regarding this asset are currently in progress.

In Mali, the Company continues to hold 100 per cent. of both the Kossanto East Gold Project, which has a JORC inferred resource estimate of 247,000 oz gold, and the Kossanto West Gold Project ('Kossanto West'), which is the focus of a joint venture agreement with Randgold Resources. As announced last week, the Karan Gold Project in Mali ('Karan') is now the subject of a Joint Venture with Cora Gold Limited. The Company's commitment to the joint venture model for its early stage exploration portfolio means that exploration work is once again underway, at both Karan and Kossanto West, without Alecto incurring further funding expense.

Application for trading on AIM and Total Voting Rights

Application has been made to the London Stock Exchange plc for the Placing Shares to be admitted to trading on AIM ('Admission'). Admission is expected to become effective and dealings in the Placing Shares commence at 8.00 a.m. on 1 June 2016. On Admission, the Company will have in issue 4,459,814,850 ordinary shares.

The Placing Shares will be fully paid and will rank *pari passu* in all respects with the Company's existing ordinary shares.

The Company does not currently hold any ordinary shares in treasury. Accordingly, the above figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

****ENDS****

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

Alecto Minerals plc

Mark Jones

Tel: +44 (0)20 7499 5881

Strand Hanson Limited

Andrew Emmott

Matthew Chandler

James Dance

Tel: +44 (0)20 7409 3494

Beaufort Securities Limited

Jon Belliss

Tel: +44 (0)20 7382 8300

St Brides Partners Limited

Elisabeth Cowell

Charlotte Heap

Tel: +44 (0)20 7236 1177

Notes to editors:

Alecto Minerals plc is an African focused, gold and base metal exploration and development company quoted on AIM with gold exploration projects in Zambia, Mali, Burkina Faso and Mauritania.

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 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. This is under a co-operation agreement with ASX listed Desert Gold Inc. to evaluate the potential to jointly develop each company's neighbouring projects into production. The Kossanto West Project is under a joint venture with Randgold Resources Limited. In addition, the Company owns the 250 sq. km. Karan gold project in southern Mali which 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.