

30 September 2016

**Alecto Minerals plc ('Alecto' or the 'Company', and with its subsidiaries, the 'Group')  
Interim Results**

Alecto Minerals plc (AIM: ALO), the Africa-focused gold and base metal exploration and development company, is pleased to announce its unaudited interim results for the period ended 30 June 2016.

**Highlights:**

- Progress made towards becoming an African focused gold producer
  - FS delivered at Matala Gold Project in Zambia; additional gold ounces identified; and Design, Build and Operate ('DBO') contract secured
- Joint venture agreements entered into on three Malian gold exploration projects providing exposure to value upside at low cost:
  - Randgold has a 65% interest in Kossanto West and is funding all costs up to and including the completion of a pre-feasibility study
  - JV with Kola Gold solely funding all costs to complete a scoping study to earn an interest of 65% of Karan Gold Project in Mali
  - Letter of intent ('LOI') with Ashanti Gold Corp. for Ashanti to earn an interest in the Company's Kossanto East Gold Project

Alecto Chairman Gerald Chapman commented:

*"We have delivered on a number of our stated objectives for our African gold portfolio during the period. Our activities at Matala in Zambia have both created value and validated our production strategy. We are close to securing vendor finance to cover the very low capex required to deliver gold production and with an NPV of \$35.2 million and an Internal Rate of Return of 66%, it is clear that this project has robust economics. For a company of our size, we believe this asset provides us with an excellent opportunity to generate cash flow and prove our production capabilities. We are also evaluating larger projects with a view to building Alecto to become a profitable African metals producer. We are also pleased to have secured value accretive paths for the rest of our portfolio via joint ventures. I believe that Alecto is now poised for significant growth in the next 12 months.*

*I would like to touch upon the often emotive issue of equity issue and dilution. As the Company's biggest shareholder and Chairman of the board I am ever mindful of the fact that issuing new equity dilutes existing shareholders. Indeed, the entire management team are shareholders and each one understands the issues. I am, however, in the privileged position to be able to see how active our team is and the essential work that they continue to do on the ground.*

*Throughout the period we have maintained very tight austerity measures and focused on ensuring that monies raised through equity have maximum impact on the ground. These activities have required us to fundraise during the period but I believe that we have done so judiciously, and as a shareholder I am entirely comfortable this was the correct thing to do."*

**CEO's Statement**

Commercialisation of our African gold portfolio is always at the forefront of our mind and I am pleased to report that we have made very positive steps towards this during H1 2016. We entered the year with a firm focus on production, following our acquisition of the Matala and Dunrobin gold mines in Zambia, and on forming joint venture partnerships that allow us to retain value in our African gold exploration portfolio for little or no cost. We promptly positioned Alecto as a developer and delivered a number of important milestones to realise our vision.

As a group of engineers, our management team's expertise lends itself to generating profitable scenarios for advanced projects. This perspective has formed the backbone of our strategy and the Matala and Dunrobin acquisition is testament to this. Although the mines came to us with a 25 year renewable mining licence covering 32km<sup>2</sup>, an associated environmental permit, and 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, it was clear from a scoping study completed on Matala and a feasibility study at Dunrobin, that a new production approach was required to ensure the economics of the project are as robust as possible.

Initial work in Zambia included the completion of an internal scoping study which turned the existing scenario of delivering production from Dunrobin before Matala on its head. Our scoping study suggested that by producing first from an initial three-year open pit operation at Matala, we could potentially generate strong cash flows, which could then support further development of the project whilst also realising nearer term value for shareholders. This acquisition encapsulates our strategy and we continue to assess additional African projects where this approach can add value, both for the project and shareholders alike.

Reflecting our determination to move quickly towards becoming a gold producer, we entered the period with a newly signed agreement with PenMin Ltd ('PenMin'), a South African based consultancy group, which has extensive knowledge of Matala and Dunrobin, to assist in the project's development. PenMin was tasked with delivering a Feasibility Study ('FS') on Matala; preparing the Design, Build and Operate ('DBO') contract for the full project; preparing the mining contract to secure a mining contractor; seeking to secure vendor financing for the supply of the processing plant; and ensuring that all the relevant permits and approvals are in place to commence production.

During the FS process we were pleased to announce the discovery of an additional 75,000 tonnes of measured (non-code compliant) mineral resources located in recently validated historic dumps and tailings adjacent to the Matala deposit. This significant quantity of contained metal sitting at surface will not incur direct mining costs and is therefore expected to provide potential for early, low cost feedstock for the Company's future mining operations. This positive news set the scene for the publication of a FS for Matala, which demonstrates the robust economics and low capex associated with constructing a 400,000 tonnes per annum ('tpa') oxide and transitional open pit operation with a mine life of approximately 4 years 8 months at \$1,300/oz Au. The fundamentals are as follows:

- Estimated capital cost for plant and infrastructure of US\$14.4 million
- Project NPV of US\$35.2 million at an 8% discount rate
- Unlevered project IRR of 66%

PenMin delivered on their mandate and our project was further de-risked by our entry into a proposed DBO contract agreement with Yantai Xinhai Machinery Co. Ltd ('Xinhai') and PenMin, regarding the proposed construction and financing of mining operations at Matala. The support of Xinhai demonstrates the commerciality of our project and the contract has been agreed under International Federation of Consulting Engineers ('FIDIC') 'Gold Book', 2008, standards for the process plant and associated infrastructure. FIDIC contracts have been developed over 50 years as the international standard for the consulting industry and are recognised and used globally in many jurisdictions, on all types of projects ([www.fidic.org](http://www.fidic.org)).

Xinhai agreed to arrange vendor financing for the DBO contract having confirmed that it is satisfied with the technical and financial outcomes of the FS. PenMin has been appointed Employer's Representative under a FIDIC 'White Book' Client / Consultant Agreement. During the operational phase, Xinhai and PenMin will jointly manage the plant's operations, the control of which will then be transferred to Alecto on conclusion of the term of the contract.

In summary, the period under review saw us add significant value to these prospective development projects in a short space of time. We proved that we have the potential to deliver meaningful cash flow for a company of our size, at low cost, and highlighted the potential upside available across the Matala and Dunrobin areas via exploration and underground mining. Our vendor finance process is moving forward and we look forward to providing updates on this at the appropriate time. When producing, this asset will represent Zambia's first single-commodity gold mine, and political and social support for the project is excellent.

Since initiating our production strategy we have stated our desire to maximise value from the rest of our prospective African gold portfolio at low/no cost to Alecto by securing joint venture partnerships with quality companies. We have successfully delivered on this model during the reporting period. In February 2016, we announced a JV with Randgold Resources Limited (LSE:RRS) ('Randgold') for Kossanto West. This project comprises the Kobokoto Est and Koussikoto exploration permits, which cover 137 km<sup>2</sup> in western Mali, some 40km north-west of Randgold Resources 10Moz Au Loulo/Goukoto complex and approximately 50km north-east of their 3m oz Au Massawa project in Senegal. Kossanto West was part of the larger Kossanto Gold Project and was split from Kossanto East for geological reasons. It is interpreted that a major structural event occurred within the permit boundaries of Kossanto West. The regionally significant Main Transcurrent Shear Zone ('MTZ') appears to change its strike direction from NNE to NNW, and exploration work completed by Alecto identified numerous high-grade gold targets coincident with this change of the MTZ.

Under the terms of this agreement Randgold holds a 65% interest in Kossanto West with Alecto holding the remaining 35%. Randgold is funding all costs up to and including the completion of a pre-feasibility study ('PFS'). Following the publication of the PFS, all costs will be split between the JV parties in accordance with their participating interest.

In its Q2 2016 update Randgold reported that it had completed regional mapping and lithosampling across the JV area, confirmed NW-SE lithologies and identified several major geological domains. Randgold also

confirmed that it had validated various gold-in-soil anomalies originally identified by Alecto's team, and that there were numerous gold showings and artisanal workings across the project. We are eagerly anticipating the return of Randgold's field teams once the rains subside in western Mali.

We also entered into a JV with Kola Gold via its subsidiary, Cora Gold, for the Karan Gold Project in Mali. Kola is solely funding all exploration and development costs up to and including the completion of a scoping study to earn an interest of 65%. It has the potential to earn another 15% by solely funding exploration expenditure up to completion of a Bankable Feasibility Study. The Cora Gold team has commenced an initial work programme at Karan, which includes geochemical and termite mound sampling, mapping of recently discovered gold occurrences and the compilation of a substantial historical exploration database that includes approximately 12,000 metres of reverse circulation ('RC') and rotary air blast ('RAB') drilling, trenching and pitting.

We believe that Cora Gold is a natural JV partner for Alecto, owning adjoining permits to the south of the Karan permit. With this in mind its management and technical staff have significant experience in finding and developing successful gold projects, both in Mali and across the wider region, and we look forward to receiving the outcome of their work.

Rounding off the Company's joint venture activities, post period end we were delighted to announce that we had 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 ('Kossanto East') in western Mali. Kossanto East has a JORC-Code compliant mineral resource estimate of 247,000 oz Au. Given that the Gourbassi deposits are open along strike and we have received excellent initial results from exploration targets such as Berola (15 metres @ 1.18 g/t Au from surface), we are confident that this proposed partnership with Ashanti will enable us to realise the full potential of Kossanto East so that together we will be able to build a larger mining play at this very exciting project area.

The value potential of these JV activities should not be underestimated. For each of the projects under JV in Mali it would have required additional investment by Alecto of an estimated US\$5m in exploration expenditure to reach FS level, and these funds would have necessarily have had to be raised through the issue of equity. By having this work funded by our JV partners, and with their extensive regional expertise and proven track records, it is clear that any future discoveries will have a direct benefit to the Company, and we will be in a strong position to participate as per the individual joint venture agreements.

## **Funding**

As previously discussed, in May 2016 we announced that Xinhai had signed a Letter of Intent to assist us to obtain Vendor financing from China. We have made steady progress in this regard but have not been able to complete the financing to our internal target of the end of September 2016. With the knowledge that in the current climate nothing can be guaranteed, we have taken the prudent approach to look at alternative sources of project funding; whilst our major focus remains on completing the vendor financing with Xinhai, we have advanced discussions with a number of funding parties that are interested in working

with us to get Matala into production. The Board remains confident that funding will be obtained and that Matala will be commissioned during 2017.

In May 2016 we were pleased to announce that we had 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 at a price of 0.08 pence per Placing Share, with new and existing shareholders. In the same month CEO Mark Jones subscribed for 12,500,000 new ordinary shares of 0.01p each at a price of 0.08 pence per share, raising a further £10,000.

In addition we have announced today, a further £600,000 (before expenses) has been raised by way of a placing of 800,000,000 new ordinary shares of 0.01 pence each ('Placing Share') in the capital of the Company at a price of 0.075 pence per Placing Share (the 'Placing'). The funds raised strengthen our balance sheet which will be to our advantage as we negotiate project funding. The new capital will allow us to initiate necessary work programmes at the mine site including: ground clearance for the process plant, security fencing, infrastructure and civils work, resettling affected families and establishment of new water bore facilities for our own needs and those of the immediate communities. These activities are essential to the overall project and delaying them while we wait for the project finance would simply delay final project delivery.

In terms of the remaining portfolio corporate costs, the Company is taking a cautious approach and material further development will require further funding from time to time. Furthermore, we are focussing on our costs and the board will be implementing measures to defer a significant proportion of staff and directors remuneration until the completion of project funding.

## **Financial Review**

The loss before taxation for the Group for the six month period ended 30 June 2016 amounted to £287,155 (30 June 2015: £264,320). The Group's cash position as at 30 June 2016 was £567,644 (30 June 2015: £326,730).

The net proceeds of the Placing provided additional working capital as we actively conduct due diligence on potential acquisition opportunities. Cost saving initiatives have continued and we will endeavour to maintain a tight control over costs going forward.

## **Outlook**

I believe that Alecto is proof that hard work pays off. A year ago the Company was an African gold explorer and like many mining juniors beleaguered by difficult markets. Today, following assessment of a range of assets, the Company has ownership of a small but perfectly formed gold production opportunity in a stable part of Africa, which has the potential to deliver cash flow in the relative short term. It is amenable to a rapid and robust development campaign and with financing for the low-capex Matala Gold Mine in Zambia nearly secured, our hands on management team is close to demonstrating the commercial viability of this asset. With the success of our strategy beginning to bear fruit, or more aptly gold, we look forward to applying our fast-paced development model to projects that offer similar near term value potential, so that we may further

enhance value for shareholders. Additionally, the Company has maintained exposure at no cost to prospective and exciting exploration acreage in Mali via Joint Ventures with the likes of Randgold, Ashanti Gold, and Kola Gold, providing lots of opportunity for news flow going forward.

I would like to thank shareholders and advisers for their support during the period and hope that they share in our excitement for the future as we focus on achieving production in Africa as quickly as practicable.

Mark Jones  
Chief Executive  
30 September 2016

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	6 months to 30 June 2016	6 months to 30 June 2015
	Unaudited	Unaudited
	£	£
Notes		
<b>Continuing operations</b>		
Revenue	105,369	44,663
Administration expenses	(407,980)	(312,588)
Other gains	15,238	3,602
<b>Operating loss</b>	<b>(287,373)</b>	<b>(264,323)</b>
Finance income	218	3
Other losses	-	-
<b>Loss before taxation</b>	<b>(287,155)</b>	<b>(264,320)</b>
Income tax expense	-	-
<b>Loss for the period from continuing operations attributable to equity owners of the parent</b>	<b>(287,155)</b>	<b>(264,320)</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit or loss</b>		
Currency translation differences	449,930	(586,908)
Change in value of available-for-sale financial assets	14,850	(6,500)
<b>Total comprehensive income for the period attributable to equity owners of the parent</b>	<b>(177,625)</b>	<b>(857,728)</b>
<b>Loss per share from continuing operations attributable to the equity owners of the parent</b>		
Basic and diluted (pence per share)	6	(0.026)

## CONDENSED CONSOLIDATED BALANCE SHEET

		30 June 2016 Unaudited £	31 December 2015 Audited £
	Notes		
<b>Non-Current Assets</b>			
Property, plant and equipment		93,502	112,905
Intangible assets	5	17,893,884	17,081,716
Trade and other receivables		-	21,307
Restricted assets		20,530	-
Available-for-sale financial assets		22,500	7,650
		18,030,416	17,223,578
<b>Current Assets</b>			
Trade and other receivables		317,378	286,461
Cash and cash equivalents		567,644	530,003
		885,022	816,464
<b>Total Assets</b>		18,915,438	18,040,042
<b>Current Liabilities</b>			
Trade and other payables		657,035	634,994
Borrowings		-	528,576
		657,035	1,163,570
<b>Non-Current Liabilities</b>			
Other payables		181,775	-
Deferred taxation		3,564,063	3,564,063
		3,745,838	3,564,063
<b>Total Liabilities</b>		4,402,873	4,727,633
<b>Net Assets</b>		14,512,565	13,312,409
<b>Capital and Reserves Attributable to Equity Holders of the Company</b>			
Share capital		4,544,021	4,412,421
Share premium		14,295,546	13,446,703
Share option reserve		137,290	106,080
Translation reserve		11,516	(42,350)
Available-for-sale financial asset reserve		(27,500)	(449,292)
Retained losses		(4,448,308)	(4,161,153)
<b>Total Equity</b>		14,512,565	13,312,409

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to Owners of the Parent						
	Share capital	Share Premium	Available -for-sale investment reserve	Share option reserve	Translation reserve	Retained losses	Total equity
	£	£	£	£	£	£	£
<b>As at 1 January 2015</b>	<b>4,186,796</b>	<b>11,147,543</b>	<b>(35,600)</b>	<b>100,365</b>	<b>(345,936)</b>	<b>(7,464,486)</b>	<b>7,588,682</b>
Loss for the period	-	-	-	-	-	(264,320)	(264,320)
<b>Other comprehensive income</b>							
Currency translation differences	-	-	-	-	(586,908)	-	(586,908)
Change in value of available-for-sale financial assets	-	-	(6,500)	-	-	-	(6,500)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(6,500)</b>	<b>-</b>	<b>(586,908)</b>	<b>(264,320)</b>	<b>(857,728)</b>
Issue of ordinary shares	50,000	850,000	-	-	-	-	900,000
Issue costs	-	(65,000)	-	-	-	-	(65,000)
<b>Total transactions with owners, recognised directly in equity</b>	<b>50,000</b>	<b>785,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>835,000</b>
<b>As at 30 June 2015</b>	<b>4,236,796</b>	<b>11,932,543</b>	<b>(42,100)</b>	<b>100,365</b>	<b>(932,844)</b>	<b>(7,728,806)</b>	<b>7,565,954</b>

**Attributable to Owners of the Parent**

	Share capital £	Share Premium £	Available -for-sale investment reserve £	Share option reserve £	Translatio n reserve £	Retained losses £	Total equity £
<b>As at 1 January</b>							
<b>2016</b>	<b>4,412,421</b>	<b>13,446,703</b>	<b>(42,350)</b>	<b>106,080</b>	<b>(449,292)</b>	<b>(4,161,153)</b>	<b>13,312,409</b>
Loss for the period	-	-	-	-	-	(287,155)	(287,155)
<b>Other comprehensive income</b>							
Currency translation differences	-	-	-	-	460,808	-	460,808
Change in value of available-for-sale financial assets	-	-	14,850	-	-	-	14,850
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>14,850</b>	<b>-</b>	<b>460,808</b>	<b>(287,155)</b>	<b>188,503</b>
Issue of ordinary shares	131,600	921,201	-	-	-	-	1,052,801
Issue costs	-	(72,358)	-	-	-	-	(72,358)
Issue of new options	-	-	-	31,210	-	-	31,210
<b>Total transactions with owners, recognised directly in equity</b>	<b>131,600</b>	<b>848,843</b>	<b>-</b>	<b>31,210</b>	<b>-</b>	<b>-</b>	<b>1,011,653</b>
<b>As at 30 June 2016</b>	<b>4,544,021</b>	<b>14,295,546</b>	<b>(27,500)</b>	<b>137,290</b>	<b>11,516</b>	<b>(4,448,308)</b>	<b>14,512,565</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30 June 2016 Unaudited £	30 June 2015 Unaudited £
<b>Cash flows from operating activities</b>		
Loss before taxation	(287,155)	(264,320)
Adjustments for:		
Finance income	-	-
Depreciation	48,233	37,944
Share based payments	10,000	-
Loss on disposal of property, plant & equipment	-	-
Share option expense	25,352	-
Foreign exchange differences	82,211	(13,168)
Increase/(decrease) in trade and other receivables	7,421	72,150
(Decrease)/increase in trade and other payables	(16,298)	(48,771)
<b>Net cash used in operations</b>	<b>(130,236)</b>	<b>(216,165)</b>
<b>Cash flows from investing activities</b>		
Interest received	-	3
Proceeds from sale of property, plant & equipment	(419)	-
Purchase of intangible assets	(461,982)	(158,973)
<b>Net cash used in investing activities</b>	<b>(462,401)</b>	<b>(158,970)</b>
<b>Cash flows from financing activities</b>		
Proceeds received from issue of shares	696,000	650,000
Cost of share issue	(66,500)	(65,000)
<b>Net cash from financing activities</b>	<b>629,500</b>	<b>585,000</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>36,863</b>	<b>209,865</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>530,003</b>	<b>114,258</b>
Exchange gains/(losses) on cash and cash equivalents	778	2,607
<b>Cash and cash equivalents at end of period</b>	<b>567,644</b>	<b>326,730</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 1. General Information

The principal activity of Alecto Minerals plc (the 'Company') and its subsidiaries (together the 'Group') is the exploration for, and development of, gold and base metals. The Company's shares are quoted on the AIM market of the London Stock Exchange plc. The Company is incorporated and domiciled in the UK.

The address of the Company's registered office is 47 Charles Street, London, W1J 5EL.

### 2. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. The interim financial statements have been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the year ended 31 December 2015 were approved by the Board of Directors on 6 June 2016 and subsequently delivered to the Registrar of Companies. The independent auditor's report on those financial statements was unqualified which included an emphasis of matter.

The 2016 interim financial statements of the Group have not been audited or reviewed.

#### *Going concern*

The interim financial statements have been prepared on a going concern basis. Although the Group's assets are not generating revenues, an operating loss has been reported for the reporting period and an operating loss is expected to be incurred in the 12 months subsequent to the date of these financial statements, the Directors believe, having considered all available information including cash flows prepared by management, that the Group having raised £600,000 (gross) in September 2016 has sufficient funds to meet its expected committed and contractual expenditure through to March 2017, and are confident that they will be able to raise additional funding as necessary.

Based on the Board's assessment that the cash flow forecasts can be achieved and that necessary funds will be raised when required, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the interim financial statements for the period ended 30 June 2016.

### *Risks and uncertainties*

The Board continuously assesses and monitors the key risks facing the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2015 Annual Report and Financial Statements, a copy of which is available on the Group's website at: [www.alectominerals.com](http://www.alectominerals.com). The key financial risks are liquidity risk, foreign exchange risk, credit risk, price risk and interest rate risk.

### *Critical accounting estimates and judgements*

The preparation of condensed interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements, are disclosed in Note 4 of the Group's 2015 Annual Report and Financial Statements.

## **3. Accounting Policies**

Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the Group's annual financial statements for the year ended 31 December 2015, except for the impact of the adoption of the Standards and interpretations described below.

### ***3.1 Changes in accounting policies and disclosures***

#### *(a) New and amended standards mandatory for the first time for the financial period beginning 1 January 2016*

A number of new standards and amendments to standards and interpretations are effective for the financial period beginning on or after 1 January 2016 and have been applied in preparing these Financial Statements.

#### Amendments to IAS 1 Disclosure Initiative

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- Clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- Clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;

- Additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

#### Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

Amends IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to:

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment
- Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated
- Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

#### Amendments to IAS 27 Equity Method in Separate Financial Statements

Amends IAS 27 Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

#### Amendments to IFRS 11 Accounting for Acquisitions of Interest in Joint Operations

Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:

- Apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
- Disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).

#### Annual Improvements 2012-2014 Cycle

Makes amendments to the following standards:

- IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued
- IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements

- IAS 9 — Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid
- IAS 34 — Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference

There are no other new standards and amendments to standards and interpretations effective for the financial year beginning on or after 1 January 2015 that are material to the Group and Company and therefore not applied in preparing these financial statements.

*(b) New standards, amendments and Interpretations in issue but not yet effective or not yet endorsed and not early adopted*

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements are listed below. The Company and Group intend to adopt these standards, if applicable, when they become effective.

<b>Standard</b>	<b>Impact on initial application</b>	<b>Effective date</b>
IAS 7 (Amendments)	Disclosure Initiative	*1 January 2017
IAS 12 (Amendments)	Recognition of Deferred Tax	*1 January 2017
IFRS 2 (Amendments)	Classification and Measurement of Share-based payments	*1 January 2018
IFRS 9	Financial Instruments	*1 January 2018
IFRS 10 (Amendments)	Contribution of Assets between an Investor and its Associate or Joint Venture	^*1 January 2016
IFRS 12 (Amendments)	Investment Entities: Applying the Consolidation Exception	*1 January 2016
IFRS 15	Revenue from Contracts with Customers	*1 January 2018
IFRS 16	Leases	*1 January 2019

\* Subject to EU endorsement

^ Effective date deferred indefinitely

The Group is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Group's results or shareholders' funds.

#### **4. Dividends**

No dividend has been declared or paid by the Company during the six months ended 30 June 2016 (2015: nil).

#### **5. Intangible Assets**

Intangible assets comprise exploration and evaluation costs and goodwill. Exploration and evaluation costs comprise acquired and internally generated assets.

<b>Cost and Net Book Value</b>	<b>Goodwill</b>	<b>Exploration &amp; evaluation assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 1 January 2016	404,213	16,677,503	17,081,716
Additions	-	461,982	461,982
Exchange rate movements	-	350,186	350,186
As at 30 June 2016	404,213	17,489,671	17,893,884

## 6. Loss per Share

The calculation of the total basic loss per share of 0.016 pence (2015: 0.026 pence) is based on the loss attributable to equity owners of the parent company of £287,155 (2015: £264,320) and on the weighted average number of Ordinary Shares in issue of 4,459,814,850 (2015: 1,001,754,411) during the period.

No diluted earnings per share is presented as the effect of the exercise of share options would be to decrease the loss per share.

Details of share options and other share based payments that could potentially dilute earnings per share in future periods are disclosed in the notes to the Group's Annual Report and Financial Statements for the year ended 31 December 2015.

## 7. Commitments

All commitments remain as stated in the Group's Annual Financial Statements for the year ended 31 December 2015.

## 8. Approval and availability of interim financial statements

The condensed interim financial statements were approved by the Board of Directors on 29 September 2016.

A copy of the interim financial statements will be available on the Company's website [www.alectominerals.com](http://www.alectominerals.com).

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

## 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.