Alecto Minerals plc / EPIC: ALO / Market: AIM / Sector: General Financial

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

Alecto Minerals plc, the AIM listed multi-commodity exploration and development company with projects in Ethiopia and Mauritania, announces its interim results for the six months ended 30 June 2013.

Overview

- Significant progress in achieving its strategic objectives to identify, acquire and develop a portfolio of highly value accretive projects providing exposure to a quality multi-commodity and multi regional suite of assets
- Acquisition of the Kossanto Gold Project in Mali, subject to approval
  - JORC resource of 107,000 ounces of gold defined at one of three targets
  - Significant upside remains with drilling planned to significantly increase the resource
  - Acquisition includes RAB drill and associated equipment, providing cost saving opportunities going forward
- Quality of Ethiopian assets endorsed through Heads of Terms with Centamin plc to form a Joint Venture to develop prospective gold assets and evaluate regional opportunities
- Bolstered Board and management team through appointment of experienced resource personnel and acquisition
- Strengthened financial position through £600,000 funding

Alecto Chairman Michael Johnson said, "Alecto's suite of African gold and base metal projects has been advanced and strengthened during the period through our recent and on-going acquisition of the Kossanto Gold Project and our Heads of Terms with Centamin plc regarding our Ethiopian gold assets. This has been an exciting period for the Company and we look forward to the coming months with the same outlook as we anticipate formalising both transactions and utilising the extensive experience of our new team to drive our projects up the resource curve to build on the inherent value apparent within our prospective portfolio."

Chairman's Statement

Alecto has made significant progress in achieving its strategic objectives to identify, acquire and develop a portfolio of highly value accretive projects, bringing our shareholders exposure to a quality multi-commodity and multi regional suite of assets. Most recently, this was evidenced by the acquisition, subject to shareholder approval, of the highly prospective Kossanto Gold Project in Mali ('Kossanto') from AIM listed African Mining and Exploration plc ('AME'), providing the Company with an advanced exploration asset with a significant JORC resource of 107,000 ounces of gold in a proven African gold district.

We now have four African resource projects, diversified both in terms of geography and commodity, which all demonstrate strong value uplift potential through exploration and are located in under-explored yet highly prospective mineralised regions. Our portfolio currently comprises the 207 sq km

Kossanto Gold Project in Mali, subject to approval at the forthcoming General Meeting; the 945 sq km Wayu Boda Gold Project in south-west Ethiopia; the 1,954 sq km Aysid-Metekel Gold Project in north-west Ethiopia; and the 1,832 sq km IOCG project in Mauritania, which spans three licence areas.

In May 2013 we signed a Heads of Terms regarding a strategic alliance with mid-tier gold producer Centamin plc ('Centamin'), which both endorses the prospectivity of our Ethiopian gold portfolio and our activities in-country to date and opens up the possibility of direct investment into the projects.

Our near term corporate objectives are focussed on two primary areas; successfully completing the acquisition of Kossanto, for which we recently posted a circular to all shareholders to convene a General Meeting, and finalising the terms of the joint venture with Centamin, which we expect to complete in October 2013. With these formalities in place, we will be well positioned to advance our operations on the ground. These will be principally focussed on increasing and upgrading the resource in Mali through drilling, in tandem with progressing our Ethiopian activities alongside Centamin, at Wayu Boda and Aysid-Metekel which we anticipate will be nominated as joint venture projects.

Importantly, our new management team has extensive industry and corporate experience with which to implement our growth strategy. I joined the Board as Chairman in April 2013, having worked with major miners including Rio Tinto, New Boliden SA. and Lundin Mining Corporation. In addition, subject to the successful completion of our acquisition of Kossanto, Mark Jones, who was until recently the CEO of AME, will join the Board as CEO, bringing with him the experienced AME exploration team. Their strong understanding of Kossanto and the regional mineralisation will be invaluable as we develop the project further. I am confident that Mark Jones has the requisite skills and experience to successful steward Alecto into its next phase of growth, taking the mantle from Damian Conboy, our previous Managing Director, who left the Company in June 2013 to pursue his other business interests.

As part of the transaction with AME, our cash position was strengthened through a £600,000 investment. This comprised £500,000 from AME (£150,000 in new shares at 1.15p and £350,000 in a loan convertible at the same price) and £100,000 from our supportive cornerstone investor Fahad Al-Tamimi, in the form of a loan to be converted into shares at 1.15p on completion of the acquisition.

Kossanto Gold Project, South-West Mali

The Acquisition

In August 2013, Alecto signed a binding agreement with AME to acquire its subsidiary AME West Africa Ltd ('AME West Africa') (the 'Acquisition'). The consideration for the Acquisition will be satisfied through the issue of 108,695,652 Alecto shares priced at 1.15p with an aggregate value of £1.25 million and further deferred payments will be made depending on the progress of proving up the current JORC Resource of 107,000 ounces of gold. To see full details of the Acquisition, please see the announcement dated 22 August 2013.

AME West Africa owns, through its wholly owned subsidiary Caracal Gold Mali SARL ('Caracal'), 100% of the Kossanto Gold Project, as well as two further exploration licences in south-west Mali. Additionally as part of the transaction, we will acquire a RAB drilling rig and associated ancillary exploration equipment owned by Caracal. Naturally, this will benefit our capex for the Company going forward as we prove up additional resources across our portfolio.

The Project

Kossanto is located in the centre of the Kenieba inlier in western Mali, a block of ancient greenstones and granites that host many significant gold deposits in Senegal and Mali, making it one of the most important gold regions in Africa. Major projects in the region include AngloGold Ashanti Limited's 13.0Moz Sadiola and 4.5Moz Yatela gold mines in Mali, Randgold Resources Limited's 12.5 Moz Loulo gold mine in Mali and Teranga Gold Corporation's 3.0Moz Sabodala gold mine in neighbouring Senegal. Importantly, the Project's geology appears consistent with these major gold producing mines, consisting of a mix of basic and acidic volcanics with turbidites, and pervasive shearing and fracturing.

The project consists of five contiguous licences and work to date has identified three primary target areas, namely, Gourbassi East, Gourbassi West and Massakama.

Gourbassi East, located in the Eastern part of the licence area, is the most advanced target. Following a 3,126m reverse circulation ('RC') drilling programme AME announced a maiden resource in June 2013 having delineated a JORC Inferred resource of 107,000 ounces (2.35Mt @ 1.42 g/t using a 0.5 g/t cut off). Importantly, there is significant opportunity to increase this resource as the current resource is based on only part of a 500m section of a 900m mineralised strike length, which remains open at both ends. Consequently, the Company plans to implement a drill programme when the drilling season commences in November to increase the resource and build additional value.

The Gourbassi West target lies approximately 3.7km west and north-west of Gourbassi East and appears to be analogous with its clear north and north-west striking zone of mineralisation associated with felsic volcanic rocks. To date, trenching (872m), geophysics and two RC drilling campaigns have been completed at this target, revealing significant lengths and continuity of near surface mineralisation.

The most recent drilling programme at Gourbassi West comprised of 10 holes for a total of 890m to increase knowledge of this large zone. Nine holes intercepted significant mineralisation:

- 5m @ 2.04 g/t including 1m @ 4.3 g/t
- 11m @ 1.51 g/t, including 6m @ 2.27 g/t
- 5m @ 2.24 g/t, including 2m @ 4 g/t
- 7m @ 1.28 g/t
- 9m @ 3.46 g/t Au
- 21m @ 1.8 g/t, including 6m @ 4.32 g/t

A mineralised zone with a strike length of over 1km has now been identified, open along strike to north and north-west and south and south-east. With this in mind, the Company will conduct mapping and trenching over the coming months to understand the mineralisation and structural controls before more drilling commences in targeted areas.

Massakama is host to extensive artisanal work, which demonstrates gold recovery from surface to 10m. The target is characterised by both felsic volcanics and mafic to felsic intrusions. Work by previous owners has largely been focussed on the Massakama Main Zone where the most encouraging results have been located from geophysics and trenching.

Very high gold grades of up to 8m @ 18.5 g/t have been returned from these activities, but as the mineralisation at Massakama is still not fully understood, the Company plans to conduct a scout drilling campaign using its own RAB drill to assess the resource potential.

In summary, this acquisition has been highly important for the Company, propelling the status of our portfolio in terms of development and providing us with an experienced management team, drilling equipment and funds, as well as exploration upside potential. We look forward to advancing this over the coming months and will provide further information regarding our development plan in due course.

Wayu Boda Gold Project, Ethiopia

The first six months of the year saw the Company publish the results from the first methodical exploration campaign at Wayu Boda, which is 24km south of the privately owned 'Dawa' discovery reported to contain reserves of over 17Moz of gold (Addis Fortune. 2012). The programme involved trenching, geophysics, and geological mapping focussed predominantly on the artisanal workings, which are extensive in the northern 15% of the licence area. It was from here that we previously reported grades of up to 47.4 g/t of gold from rock chip sampling.

14 trenches for a total of 928m of excavation were dug and 853 samples taken. We gained useful information regarding both the structural and intrusive related controls on mineralisation, although the trenching was somewhat hindered by more widespread artisanal working than envisaged, which led to trenches encountering in-filled, worked out areas where no samples were taken. The grade was discovered to be modest at surface, but the high grades recovered from sampling the deeper artisanal working are encouraging, and need to be further investigated through drilling.

In tandem, a ground magnetic survey was carried out by independent consultants SRK Exploration Ltd, with data processed by Stewart Geophysical Consultants Pty. Ltd. The magnetic data led to a greater understanding of structural complexity in the area and can be used to direct future exploration.

Aysid-Metekel Gold Project, Ethiopia

The Aysid-Metekel licence is located in a mineral rich region approximately 50km north and north-east respectively from the highly prospective Towchester and Brantham tenements of AIM quoted

Nyota Minerals Limited. It is also approximately 80km from the Fiti skarn gold deposit discovered by MIDROC Gold Mine plc.

During the period, we undertook in-house technical work, compiling and analysing both historic and company data. This work has enabled us to delineate five high priority target areas for follow up work. The historic data includes 1:250,000 scale geological mapping of the entire licence area with the majority covered by 1:100,000 scale mapping, regional aeromagnetics, 848 steam sediment samples and mineral occurrence mapping. With Alecto's data now integrated, we have successfully built a database of over 1,000 stream sediment samples and 576 soil samples. In addition, Aster imagery was acquired for the entire licence and structural interpretation of this and other satellite imagery indicates the presence of prospective north-west trending dextral shear zones within the licence, that are associated with coincident gold in streams and gold in soils anomalies.

The Aysid-Metekel project may be designated as a JV Project with Centamin subject to further due diligence by the JV Committee. If the project is designated, it has been agreed that Centamin will commit US$1.2 million over the Initial Expenditure Commitment and a further US$5 million if they elect to implement the Second Expenditure.

Heads of Terms with Centamin

The potential of the Ethiopian portfolio, demonstrated by its prospective location and the results received to date, has attracted the attention of Centamin. Subject to the completion of the joint venture, it is our expectation that both Wayu Boda and Aysid-Metekel will be designated as JV projects. This will see Centamin commit US$1.8 million to earn a 51% stake in Wayu Boda and accelerate this project. A further US$6 million will be committed if they elect to implement the Second Expenditure Commitment in order to acquire a 70% interest. These funds are envisaged to be used to fund a preliminary scout drilling campaign which, if successful, will be followed by further drilling to deliver a maiden resource however, further details of the use of funds will be provided on signing of a Joint Venture Agreement.

Wad Amour IOCG Project, Mauritania

Alecto has a total land position of 1,828 sq km in the mineral rich Mauritanide belt of Mauritania. The 615 sq km Wad Amour licence is currently considered as the most prospective, and we kick-started the year with results from our Q4 2012 exploration campaign, which included geophysical and geochemical sampling and trenching programmes, and continued to highlight the potential of the Chiron target within the Wad Amour licence.

Previous Alecto work at the Chiron target identified anomalous copper values over 800m and of particular importance was the findings of IOCG specialist and author of several academic papers, consultant geologist Peter Pollard. Following field and petrographic work, he confirmed the Chiron target as a "…high priority target for IOCG mineralization similar to that at Guelb Moghrein", which is located 315km to the north-west and produces 17,000 tonnes of concentrate per month.

Following the completion of 1,193m of trenching, which produced 1,292 samples for geochemical analysis at ALS Ireland, highlights included: MTR001 - 93.6m @ 0.11% copper including 1m @ 0.7g/t gold, MTR004 - 54m @ 0.15% copper and MTR007 - 5m @ 0.33% copper. These large low grade intersections were very encouraging and may indicate the possibility for a large tonnage project. From the weathering profile in the region it is anticipated that grades may improve significantly with depth.

Dovetailing with this interpretation, geophysics demonstrated that a major conductivity high lies between two main mineralised ridges at the Chiron target, which is interpreted as possibly resulting from sulphide mineralisation at depth. The anomaly coincides with a strong copper in soils anomaly, surface mineralisation and encouraging intersections in trenching. Also coincident is a WNW trending structure visible in both satellite imagery and ground magnetics. This structure is predicted to relate to the two earliest deformational phases (D1/D2) of the Pan African tectono-thermal event, which are considered to be the most prospective structures in the region, and are the same age as the main conduits for mineralisation at Guelb Moghrein.

The next step for Chiron would be to undertake an induced polarisation and drilling campaign. Many further targets are present within Alecto's licence in Mauritania that require further follow up, particularly further along strike from the mineralised structures at Chiron. There is also tremendous potential in other unexplored parts of the licence area. With this in mind, we are currently assessing the best path for the project in order to realise its near time value and plans will be provided at the appropriate time.

Financials

In line with management expectations and in view of the fact that Alecto is an exploration company, the Company does not have any revenues and is reporting a loss for the six months ended 30 June 2013 of £480,588 (2012: £504,950). Our cash position at the end of the period was £219,885.

Outlook

Alecto has evolved significantly over recent months, emerging from the period with an advanced portfolio benefitting from the presence of an advanced development asset, a potential strategic partner, a bolstered balance sheet, and an experienced management team. With this in mind, we are confident that we have the right foundations in place with which to drive the Company forward and build returns for shareholders across our African focussed resource portfolio.

I look forward to keeping shareholders abreast of our continued progress with regards to the Acquisition of our Malian assets and our joint venture negotiations with Centamin. This will signal the start of a highly active operational period for the Company where we hope to increase our current gold resource and thoroughly assess the extent of the mineralisation at depth at Wayu Boda and Aysid-Metekel

I would like to take this opportunity to thank our management team, advisers and shareholders for their continued efforts and support during what has been a highly successful period for Alecto.

Michael Johnson
Chairman
17 September 2013

For further information, please visit www.alectominerals.com or contact:

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	6 months to 30 June 2013 Unaudited £	6 months to 30 June 2012 Unaudited £
Continuing operations			
Revenue		-	-
Administration expenses		(478,860)	(467,361)
Loss on foreign exchange		(2,257)	(38,024)
Operating Loss		(481,117)	(505,385)
Finance income		529	435
Loss Before Taxation		(480,588)	(504,950)
Corporate tax expense		-	-
Loss for the period from continuing operations attributable to equity owners of the parent		(480,588)	(504,950)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translation differences		108,821	(338)
Write-down of available-for-sale financial assets		(29,000)	-
Total comprehensive income for the period attributable to equity owners of the parent		(400,767)	(505,288)
Loss per share from continuing operations attributable to the equity owners of the parent			
Basic and diluted (pence per share)	7	(0.14)	(0.20)

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 June 2013 Unaudited £	31 December 2012 Audited £
Non-Current Assets			
Property, plant and equipment		44,498	47,859
Intangible assets	6	3,471,430	3,241,917
Restricted assets		39,518	56,389
Available-for-sale financial assets		21,000	50,000
		3,576,445	3,376,165
Current Assets			
Trade and other receivables		39,521	53,525
Cash and cash equivalents		219,885	848,059
		259,406	901,584
Total Assets		3,835,851	4,277,749
Current Liabilities			
Trade and other payables		58,118	99,249
		58,118	99,249
Non-Current Liabilities			
Deferred taxation		614,780	614,780
		614,780	614,780
Total Liabilities		672,898	714,029
Net Assets		3,162,953	3,563,720
Capital and Reserves Attributable to Equity Holders of the Company			
Share capital	7	2,509,388	2,509,388
Share premium	7	6,717,310	6,717,310
Share option reserve		40,322	40,322
Foreign currency translation reserve		(12,443)	(121,264)
Available-for-sale financial asset reserve		-	-
Retained losses		(6,091,624)	(5,582,036)
Total Equity		3,162,953	3,563,720

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 £
As at 1 January 2012	**1,365,957**	**5,351,686**	**-**	**179,086**	**(161)**	**(4,631,974)**	**2,264,594**
Loss for the period	-	-	-	-	-	(504,950)	(504,950)
Other comprehensive income							
Currency translation differences	-	-	-	-	(338)	-	(338)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(338)**	**(504,950)**	**(505,288)**
Issue of ordinary shares	1,053,143	1,338,577	-	-	-	-	2,391,720
Issue costs	-	(86,799)	-	-	-	-	(86,799)
Total contributions by and distributions to owners of the Parent recognised directly in equity	**1,053,143**	**1,251,778**	**-**	**-**	**-**	**-**	**2,304,921**
As at 30 June 2012	**2,419,100**	**6,603,464**	**-**	**179,086**	**(499)**	**(5,136,924)**	**4,064,227**

	Attributable to Owners of the Parent						
	Share capital £	Share Premium £	Available-for-sale investment reserve £	Share option reserve £	Translation reserve £	Retained losses £	Total equity £
As at 1 January 2013	**2,509,388**	**6,717,310**	**-**	**40,322**	**(121,264)**	**(5,582,036)**	**3,563,720**
Loss for the period	-	-	-	-	-	(480,588)	(480,588)
Other comprehensive income							
Currency translation differences	-	-	-	-	108,821	-	108,821
Write-down of available-for-sale financial assets	-	-	-	-	-	(29,000)	(29,000)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**108,821**	**(509,588)**	**(400,767)**
Issue of ordinary shares	-	-	-	-	-	-	-
Issue costs	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Parent recognised directly in equity	-	-	-	-	-	-	-
As at 30 June 2013	**2,509,388**	**6,717,310**	**-**	**40,322**	**(12,443)**	**(6,091,624)**	**3,162,953**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30 June 2013 Unaudited £	30 June 2012 Unaudited £
Cash flows from operating activities		
Loss before taxation	(480,588)	(504,950)
Adjustments for:		
Interest received	(529)	(435)
Depreciation	7,059	1,416
Foreign exchange differences	5,158	(337)
Increase/(decrease) in trade and other receivables	14,004	(17,737)
(Decrease) in trade and other payables	(41,132)	(12,112)
Net cash used in operations	(496,028)	(534,155)
Cash flows from investing activities		
Interest received	529	435
Cash paid for acquisition of subsidiaries (net of cash acquired)	-	(129,600)
Purchase of property, plant & equipment	(3,697)	(9,399)
Purchase of intangible assets	(125,847)	(113,077)
Net cash used in investing activities	(129,015)	(251,641)
Cash flows from financing activities		
Proceeds received from issue of shares	-	1,721,345
Cost of share issue	-	(86,799)
Net cash from financing activities	-	1,634,546
Net (decrease)/ increase in cash and cash equivalents	(625,043)	848,750
Cash and cash equivalents at beginning of period	848,059	715,153
Exchange (losses)/gains on cash and cash equivalents	(3,131)	1,186
Cash and cash equivalents at end of period	219,885	1,565,089

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 and development of precious and base metals. The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange. The Company is incorporated and domiciled in the UK.

The address of the Company's registered office is One America Square, Crosswall, London, EC3N 2SG.

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 2012, 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. They 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 2012 were approved by the Board of Directors on 28 May 2013 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

The 2013 interim financial report of the Company has not been audited but has been reviewed by the Company's auditor, Littlejohn LLP, whose independent review report is included in this Interim Report.

Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements for the period ended 30 June 2013.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of 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 2012 Annual Report and Financial Statements, a copy of which is available on the Group's website: www.alectominerals.com. The key financial risks are liquidity risk, foreign exchange risk, credit risk, price risk and interest rate risk.

Critical accounting estimates

The preparation of condensed interim financial statements 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. Significant items subject to such estimates are set out in note 4 of the Group's 2012 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 2012, except for the impact of the adoption of the Standards and interpretations described below.

The preparation of condensed interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. 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 2012 Annual Report and Financial Statements.

3.1 Changes in accounting policy and disclosures

New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2013 but not currently relevant to the Group.

Standard	Impact on initial application	Effective date
IAS 1	Presentation of items of other comprehensive income	1 January 2013
IAS 12 (Amendment)	Deferred tax: recovery of underlying assets	1 January 2013
IFRS 13	Fair value measurement	1 January 2013
IFRS 7 (Amendment 2011)	Disclosures – offsetting financial assets and financial liabilities	1 January 2013

IAS 1 (Amended), “Presentation of Items of Other Comprehensive Income” became effective during the period. Items in the consolidated statement of comprehensive income that may be reclassified to profit or loss in subsequent periods are now presented separately from items that will not be reclassified to profit or loss in subsequent periods.

IFRS 13, “Fair value measurement” became effective during the period. The standard requires specific disclosures on fair values, some of which replace existing disclosure requirements in IFRS 7, “Financial instruments: Disclosures”. The fair values of cash and cash equivalents, trade and other receivables and trade and other payables approximate to their book values due to the short maturity periods of these financial instruments. Available for sale financial investments consist of equity investments whose fair value is determined by reference to quoted market prices (level 1 in the fair value measurement hierarchy). There were losses of £29,000 recognised in other comprehensive income for available-for-sale financial assets during the six months ended 30 June 2013 (six months ended 30 June 2012: £nil).

3.2 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group’s share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill arising on the acquisition of subsidiaries is included in ‘intangible assets’. Goodwill is tested at acquisition and annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

(b) Exploration and evaluation assets

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Exploration and evaluation assets arising on business combinations are included at their acquisition-date fair value in accordance with IFRS 3 ‘Business combinations’. Other exploration and evaluation assets and all subsequent expenditure on assets acquired as part of a business combination are recorded and held at cost.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units, which are based on specific projects or geographical areas.

Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the income statement.

4. Dividends

No dividend has been declared or paid by the Company during the six months ended 30 June 2013 (2012: nil).

5. Segment Information

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the period the Group had interests in three geographical segments; the United Kingdom, Mauritania and Ethiopia. Activities in the UK are mainly administrative in nature whilst the activities in Ethiopia and Mauritania relate to exploration and evaluation work.

The Group had no turnover during the year.

2013	**Ethiopia** £	**Mauritania** £	**UK** £	**Intra-segment balances** £	**Total** £
Administrative expenses	14,388	793	463,679	-	478,860
Loss on foreign exchange	1,637	620	-	-	2,257
Loss from operations per reportable segment	16,025	1,413	463,679	-	481,117
Additions to non-current assets	93,916	135,685	(29,321)	-	200,280
Reportable segment assets	714,890	1,408,023	3,792,277	(2,079,339)	3,835,851
Reportable segment liabilities	598,833	1,577,599	55,295	(1,558,829)	672,898

2012	**Ethiopia** £	**Mauritania** £	**UK** £	**Intra-segment balances** £	**Total** £
Administrative expenses	(9,822)	(1,694)	(455,845)	-	(467,361)
Loss on foreign exchange	(2,905)	(35,119)	-	-	(38,024)
Loss from operations per reportable segment	(12,727)	(36,813)	(455,845)	-	(505,385)
Additions to non-current assets	70,967	44,613	4,295	-	119,875
Reportable segment assets	330,608	1,228,926	4,665,411	(1,173,265)	5,051,680
Reportable segment liabilities	185,479	1,276,831	370,511	(845,368)	987,453

6. Intangible Assets

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

Cost and Net Book Value	**Goodwill** £	**Exploration & evaluation assets** £	**Total** £
Balance as at 1 January 2013	19,571	3,222,346	3,241,917
Additions	-	125,847	125,847
Exchange rate movements	-	103,666	103,666
As at period end	**19,571**	**3,451,859**	**3,471,430**

7. Loss per Share

The calculation of the total basic loss per share of 0.14 pence (2012: 0.20 pence) is based on the loss attributable to equity owners of the parent company of £509,588 (2011: £504,948) and on the weighted average number of ordinary shares in issue of 358,483,993 (2012: 248,881,408) in issue during the period.

No diluted earnings per share is presented as the effect on 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 2012.

8. Commitments

With the exception of those noted below, the Group's commitments remain as stated in the Group's Annual Financial Statements for the year ended 31 December 2012.

(a) Mauritanian licence agreements

On 23 November 2010 the Group acquired three gold exploration licences, and on 13 December 2010 two uranium exploration licences in Mauritania. These licences are for a period of 3 years from the date of grant and include commitments to pay annual land royalty fees in the second and third year and adhere to minimum spend requirements.

At the end of the licence period the Group have the right to renew the licence or, if a defined resource has been established, apply for a mining licence for the target area. Upon grant of any mining licence the Mauritanian Government will receive a 10% shareholding of the rights and benefits of the licence area. The Mauritanian Government also has the option to purchase an additional 10% of the rights and benefits at the market rate upon granting of the mining licence.

At 30 June 2013 the future aggregate minimum royalty fee payments and minimum spend requirements are as follows:

Group	**Land royalty fees £**	**Minimum spend requirement £**	**Total £**
Not later than one year	26,722	709,809	736,531
Later than one year and no later than five years	-	-	-
Total	26,722	709,809	736,531

(b) Bank guarantees

The Group has provided bank guarantees as security for the minimum spend requirements on the Mauritanian exploration licences. The guarantees are not released until the end of the licence period. The balance held via bank guarantee at 30 June 2013 is £39,518 and is included within restricted assets.

9. Events after the balance sheet date

On 21 August 2013 the Company issued 5% convertible loan notes with a par value of £100,000 to cornerstone investor Fahad Al-Tamimi. The loan notes will automatically convert into 8,695,652 ordinary shares of £0.007 per share in the Company on completion of the Acquisition detailed below or may be redeemed on 20 August 2013 at their nominal value of £100,000.

On 22 August 2013 the Company announced that it had signed a binding agreement with AIM quoted African Mining & Exploration plc ('AME') to acquire its subsidiary AME West Africa Ltd ('AME West Africa') (the 'Acquisition'). AME West Africa owns, through its wholly owned subsidiary Caracal Gold Mali SARL, 100% of the Kossanto Gold Project, as well as two further exploration licences in south-west Mali. In connection to the Acquisition, Alecto has secured a further £500,000 of additional funding through a £250,000 placing and issue of convertible loan from AME. The above is conditional on a general meeting to be held by Alecto.

10. Approval of interim financial statements

The Condensed interim financial statements were approved by the Board of Directors on 17 September 2013.

Independent Review Report to Alecto Minerals Plc

Introduction

We have been engaged by Alecto Minerals Plc to review the condensed set of Financial Statements in the half-yearly financial report for the six months ended 30 June 2013 which comprise the condensed consolidated statement of comprehensive income, condensed consolidated balance sheet, consolidated statement of changes in equity, condensed consolidated cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of Financial Statements.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules for Companies.

The annual Financial Statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of Financial Statements included in this half-yearly financial report has been prepared in accordance with the requirements of the AIM Rules for Companies.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of Financial Statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of Financial Statements in the half-yearly financial report for the six months ended 30 June 2013 is not prepared, in all material respects, in accordance with the AIM Rules for Companies.

PKF Littlejohn LLP
Chartered Accountants and Registered Auditors
1 Westferry Circus
Canary Wharf
London
E14 4HD

17 September 2013

****ENDS****

Notes:

Alecto Minerals Plc is an AIM listed exploration company focussed on Africa with a diverse portfolio of exploration assets in Mauritania and Ethiopia. In Mauritania, it has three gold and base metal development licences totalling 1,828 sq km and two uranium licences totalling 1,592 sq km in the highly prospective Mauritanide mobile belt. It also holds a 1,953 sq km gold exploration licence in the highly prospective Aysid-Metekel region of western Ethiopia and the 945 sq km Wayu Boda exploration licence in the Adola greenstone belt, located some 450 km south of Addis Ababa. The Adola belt is host to the only currently operating gold mine in the country, Lege Dembi, and is highly regarded due to the large number of gold prospects currently under exploration

The Company is committed to conducting exploratory work across its portfolio, designed to strengthen its knowledge of the assets and delineate targets for further exploration. In tandem, the Board continues to evaluate a number of synergistic assets to build shareholder value.