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Paternoster Resources plc

("Paternoster" or the "Company")

Conversion of convertible loan stock in Alecto Minerals plc

Paternoster Resources plc, the investing company focused on the natural resources sector, is pleased to announce the conversion of convertible loan stock ("CULS") into shares of Alecto Minerals plc ("Alecto").

On 24 November 2015, Paternoster announced the purchase of US\$495,365 (£325,000) of CULS in Alecto in exchange for the issue of 100,000,000 new ordinary shares in Paternoster. Paternoster has now converted all of its holding of CULS into 433,501,250 new ordinary shares in Alecto at a price of 0.08 pence per share. As a result, Paternoster now has a 12.1% shareholding in Alecto which, based on the current Alecto share price of 0.11 pence per share, values Paternoster's shareholding at around £476,900.

Alecto, which is listed on AIM, is an Africa-focused exploration and development company involved in gold and base metals. It has gold and copper interests in four countries in Africa and six projects covering exploration to near term production. The company recently acquired the Matala and Dunrobin gold mines in Zambia, which have, in aggregate, 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. Over US\$20 million has been invested to date in these mines, principally on drilling and test work. Additional resources have recently been identified at Matala and the company is actively pursuing its strategy to become a gold producer in the medium term.

Nicholas Lee, Chairman said:

"We believe that the company has been making excellent progress with its recent acquisition and so now is a good time to convert our holding of CULS into equity in order to benefit fully from the company's expected progress in the short to medium term as a supportive shareholder."

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