RNS Number : 6897G Paternoster Resources PLC 24 November 2015

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Paternoster Resources plc

("Paternoster" or the "Company")

Investment and placing

Paternoster is pleased to announce the purchase of US\$495,365 (£325,000) of convertible loan stock ("CULS") in Alecto Minerals plc ("Alecto") in exchange for the issue of 100,000,000 new ordinary shares in Paternoster (the "Investment Shares"). The CULS are being purchased from C3W Limited, which is involved in the provision of contract mining and related services in Africa. C3W Limited is a major shareholder in Alecto by virtue of its recent sale of the Matala and Dunrobin gold mines to the company. These mines are in Zambia and 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.

Alecto, which is listed on AIM, is an Africa-focused exploration and development company involved in gold and base metals. In particular, it has gold and copper interests in four countries in Africa and six projects covering exploration to near term production. In the six months to 30 June 2015, Alecto reported a loss before taxation of approximately £264,000.

The CULS are convertible either (i) at the higher of the recent placing price of 0.08 pence for new shares in Alecto or 80% of the company's share price at the time of conversion or (ii) if the price on conversion is less than the recent placing price, at the prevailing share price.

Paternoster is also pleased to announce that the Company has placed 150,000,000 new ordinary shares (the "Placing Shares") at a price of 0.2 pence per share to raise gross proceeds of £300,000. The funds raised will be used by the Company to develop further its portfolio of investments and enable the Company to pursue additional opportunities that it expects to arise.

Nicholas Lee, Chairman said:

"The recent acquisition by Alecto is an interesting transaction and we are pleased to have had the opportunity to become involved in the newly enlarged company. We continue to focus on taking meaningful positions in small companies that have significant potential for capital growth. We are increasingly seeing attractive opportunities where we believe Paternoster can add value. The Company is relatively fully invested and so this fund raising will enable it to take advantage of these opportunities whilst having the flexibility of continuing to retain a number of its current investments."

Application will be made for the Investment and Placing Shares to be admitted to trading on AIM ("Admission") and it is expected that Admission will become effective on or around 30 November 2015. The Investment and Placing Shares will rank pari passu with the existing ordinary shares of 0.1 pence par value each ("Ordinary Shares").

Following the Investment and Placing, the Company will have 922,857,956 Ordinary Shares in issue, each share carrying the right to one vote. The Company does not hold any Ordinary Shares in treasury. The above figure of 922,857,956 Ordinary Shares 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 to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

For more information please contact:

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