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Paternoster Resources PLC
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PATERNOSTER RESOURCES PLC
"Paternoster" or the "Company"

Quarterly Update to 30 September 2016

Paternoster Resources plc, the AIM quoted investing company focused on the natural resources sector, is pleased to provide a quarterly update for the three months to 30 September 2016.

Key points

- Net asset value per share at 30 September 2016 was 2.2 times the period end share price
- Total cash held was equivalent to 48% of market capitalization at the period end
- Listed investments and cash represented 184% of market capitalization at the period end
- Net asset value increased by 6% during Q3 2016
- 21% increase in net asset value year to 30 September 2016
- Improvement in underlying portfolio liquidity

Given the strong growth of the Company's underlying portfolio and good levels of liquidity which is continuing into Q4 of 2016, the Company is currently considering implementing a capital reduction in order to create distributable reserves. This would give the Company both the option to provide a distribution to shareholders and also to acquire its own shares, both of which should provide an increased real return to shareholders and allow flexibility with regard to capital structure going forward. A capital reduction would require shareholder approval and the Company will provide a further update on this in due course.

Nicholas Lee, Chairman of Paternoster, commented:

"The value of Paternoster's portfolio has continued to increase during the third quarter of 2016. Almost 90% of its investment portfolio, which is currently worth around £3.6 million, now comprises principally cash and listed investments."

The key unaudited performance indicators are set out below.

COMPANY STATISTICS	30 September 2016	30 June 2016	Change
Net asset value	£3,581,184	£3,393,584	5.5%
Net asset value - fully diluted per share	0.353p	0.368p	(4.0)%
Closing share price	0.163p	0.160p	1.9%

Share price premium/(discount) to net asset value	(54%)	(57%)	-
Market capitalisation	£1,661,137	£1,477,000	12.5%

Category	Principal investments	Cost or valuation (£) at 30 September 2016
Unlisted/pre IPO	Bison Energy Services Limited, Elephant Oil Limited and MX Oil plc	417,178
Listed	Metal Tiger plc, MX Oil plc, Plutus PowerGen plc, Shumba Coal Limited, New World Oil and Gas plc, Ortac Resources Limited, Polemos plc and Alecto Minerals plc	2,261,023
Investment portfolio		2,678,201
Cash resources		794,180
Total		3,472,381

Since the Company's interim results statement to 30 June 2016, the Company's net assets have increased by a further 6% or 21% during the first nine months of the year. During Q3, the Company has made new investments in Polemos plc and Ortac Resources Limited ("Ortac"), both of which are performing well. Also, as part of its investment in Ortac, the Company was able to effectively exchange its unlisted investment in Andiamo Exploration Limited for listed shares in Ortac thereby improving the underlying liquidity of its investment portfolio.

The majority of the developments within the Company's portfolio in Q3 have been covered in the commentary included in the Company's interim results statement to 30 June 2016. However, certain additional developments are covered below.

MX Oil plc

MX Oil decided to exercise its right to take full control of its investment in OML 113 through the acquisition of Jacka Resources Nigeria, an intermediate holding company, for a nominal sum, from Jacka Resources Limited. MX Oil has also now received its first return from its investment in OML 113 by way of revenue received from the first lifting of oil from the Aje Field amounting to US\$1.2 million. This is clearly a major milestone for the company.

Plutus PowerGen plc

During the period, the company has managed to secure planning consents for two new 20MW sites in Ipswich. However, more importantly after the period end, the company announced both the commissioning of its first site and revenue from its first sales of power which are significant developments for the company. As a result, the company's share price has more than doubled since the period end but this increase is not included in the Company's net asset value as at 30 September 2016. The Company currently holds around 49 million shares or around 7.1% of the company.

Alecto Minerals plc

The company signed a non-binding letter of intent with Ashanti Gold Corp ("Ashanti"), a Toronto Venture Exchange listed public company, under which Ashanti would earn an interest in the Company's Kossanto East Gold Project in western Mali, which has a JORC-Code compliant mineral resource estimate of 247,000 oz Au and significant further upside potential. It also carried out a placing to raise £600,000 before expenses to provide the company with additional working capital to fund its pre-development activities on the ground in Zambia. The company continues to make progress towards its goal of bringing the 400,000 tonnes per annum open-pit Matala Gold Project in south-central Zambia into low-cost production in the near to mid-term.

New World Oil and Gas plc

The company had been making good progress with regard to a possible reverse takeover of Big Sofa Limited. However, after the end of the period under review, due to a possible issue regarding a legacy transaction, this takeover was no longer able to progress and the trading in the company's shares has since been cancelled. The company still holds significant assets in the form of cash and a loan to Big Sofa Limited and the company is currently working on a revised strategy in order to deliver a return to shareholders.

Ortac Resources Limited

Since the Company's investment, Ortac has increased its investment in Casa Mining Limited ("CASA") to around 20% of CASA's equity share capital. CASA is a private company that holds prospective gold mining and exploration licences in the Democratic Republic of Congo. CASA holds three contiguous mining licenses (covering a total 133km²), issued in March 2015 and valid for 30 years. These licences, which encompass a 60km strike length of the Tanganyika graben within the Rusizian belt or Misisi Corridor, include the Akyanga deposit along with the Lubitchako, Tulongwe, Kilombwe and Mutshobwe prospects. It is believed that the Misisi Gold Project, with over 1 million ounces of gold discovered so far, has the scope to become a low cost, open pit operation that can be brought into production quickly.

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